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on the madness  
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or a new South  
Sea Bubble?

The biotech gold rush, Section Two



Pop art and  
modern objects  
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Chanel gets  
fruity with a  
new scent

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# THE INDEPENDENT

2,991

TUESDAY 21 MAY 1996

WEATHER Cold and unsettled with sun and showers 40p (IR 45p)

## The waning of the antibiotic age



Miracle cure: Alexander Fleming, discoverer of penicillin, in his laboratory in London. In 1945 he was awarded a Nobel Prize for his work on the drug

## Scientists call for stricter controls as 'cure-all' loses power

GLENDIA COOPER

Fifty years ago it was hailed as a miracle drug which saved millions of lives. But misuse of penicillin and other antibiotics has meant that infectious diseases once thought conquered are on the rise again.

Scientists yesterday called for stricter controls over the use of antibiotics as a World Health Organisation report spoke of a "current crisis", with the life-spans of such drugs shortening all the time.

Infectious diseases, the main cause of premature death, kill 17 million people every year. The highest killers are pneumonia (4.4 million), diarrhoeal diseases (3.1 million) and tuberculosis (3.1 million). All have strains which are now resistant to common antibiotics.

While diseases like TB and cholera are not a big problem in this country because of tight controls, Britain has experienced one of the most serious antibiotic-resistant bacteria, MRSA - methicillin-resistant staphylococcus aureus - which it is estimated affects half our hospitals.

"The resistant organisms that are being produced are a whole new generation of organisms," Ralph Henderson, WHO's assistant director-general, warned. "This resistance problem is one that I think is going to be a major plague for the coming century."

Strains of pneumococci, the most common bacteria causing acute respiratory infections in children, were once uniformly susceptible to penicillin.

Now they are resistant in up to 18 per cent of cases in the United States and 40 per cent in South Africa.

Epidemic dysentery caused by shigella dysenteriae in central and southern Africa now results in the death of up to 15 per cent of those infected, because of resistance to antibiotics.

In South-East Asia, 50 per cent of the strains of salmonella typhi, the bacteria which causes typhoid fever, are already resistant to standard antibiotics.

In Britain MRSA has caused severe problems. In 1995 about 130 hospitals reported cases and the previous year 60 people in West Midlands hospitals died after infection.

Dr Alan Davies, a consultant microbiologist said: "We are increasingly seeing the problem of MRSA in hospitals. These organisms were previously treated with antibiotics, but now they are of no use."

Infections are most common on intensive-care wards and acute surgical and orthopaedic wards. They range from trivial to life-threatening conditions, such as septicaemia (blood poisoning). In the US it is estimated that antibiotic-resistant bacteria are responsible for up to 60 per cent of hospital-acquired infections.

In some areas, staphylococci, which can contribute to skin infections, food poisoning and

other serious disorders, have developed resistance to all antibiotics except vancomycin.

The WHO report warns that if vancomycin-resistant strains were to emerge, some of the most prevalent hospital-acquired infections could not be treated.

"Disastrously, this is happening at a time when too few new drugs are being developed to replace those that have lost their effectiveness," the report says. "In the contest for supremacy, the microbes are sprinting ahead. The gap between their ability to mutate into drug-resistant strains and man's ability to counter them is widening fast."

"In this country we do have antibiotic resistance, but in comparison to the other parts of the world it is a small problem," said a spokeswoman for the Public Health Laboratory Service in North London. "But we have to look at very careful, appropriate usage of antibiotics given out by GPs and in hospitals. Veterinary usage also needs to be looked at."

Micro-organisms are now being exposed to "an environment heavily laced with antibiotics for humans," said Mr Henderson. Even more antibiotics are being fed to beef cattle. In many developing countries, antibiotics can be bought on the open market, while some are counterfeit.

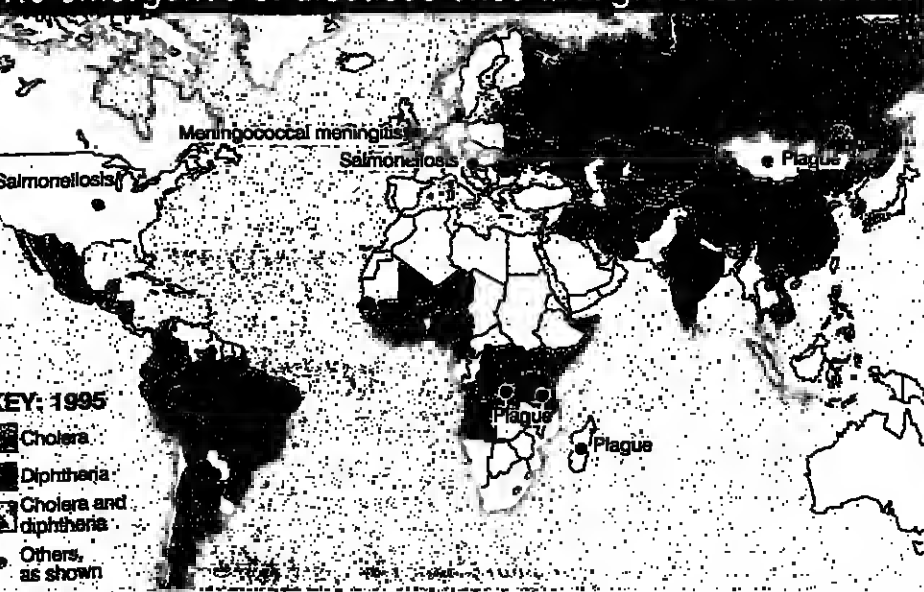
Dr Martin Wood, editor-in-chief of the *Journal of Antimicrobial Chemotherapy*, called for tighter controls on the way antibiotics were dispensed.

"We need to be sure that doctors and everyone else are rethinking antibiotics. For too long doctors have regarded antibiotics as harmless agents, that it's safe to give them to most people. It may not do any harm to the individual but it's putting more and more pressure on the environment. There's an overload of people just using them like aspirin."

Thirty years ago the US surgeon general said the time had come to "close the book on infectious diseases".

Dr Wood warned yesterday: "Bacteria started breaching the bulwarks over the last 20 years. Now some strains are resistant to all antibiotics. It's just a question of time."

### Re-emergence of diseases once thought close to defeat



## Life is (bitter) sweet as Manchester's bard of bleakness wins the top prize at Cannes

DAVID LISTER  
Arts News Editor

Mike Leigh, once a cult British film-maker for manic depressives and students of urban working-class disintegration, yesterday won over the film glitterati.

The poet of bleak days and rain-soaked gloom won the Palme d'Or at Cannes, one of the least glamorous things that can happen to a film-maker.

The prize, for his latest film *Secrets and Lies*, cements his international reputation for films which include *Life is Sweet* and *High Hopes* and completes a period of peaks and troughs

which has seen him win the director's award at Cannes in 1993 for *Naked* and a special achievement award at Bafta.

He spent a week being feted by international film experts and the foreign press but studiously avoided contact with British journalists as he did not want to talk about the collapse of his marriage to the actress Alison Steadman.

Yesterday, Leigh was still cutting a furtive figure greeting his award with the comment: "This is overwhelming. Thank you very much."

Earlier in the day he won the

International critics' award and Brenda Blethyn won the best actress award for her starring role in Leigh's winning film.

*Secrets and Lies* tells the story of a black Londoner's exploration of her family's past; it stars Marianne Jean-Baptiste and Timothy Spall and will be released in Britain in June.

Leigh's individualistic style involves developing the characters and dialogue with the actors rather than starting from a completed script.

Marianne Jean-Baptiste said: "We rehearsed for about six months, but only in the last

stages did it become clear who I was."

The Manchester-born director does have a penchant for inner-city working class life. But his films combine bleakness with humour and acute observations of family relationships.

He balks at the caricature of him as a maker of arthouse films. When he gave evidence to a House of Commons select committee on the film industry, he exploded at a suggestion that there was a clique of British film-makers producing work for each other.

"I resent that suggestion," he said, "... most of us are committed to entertainment."



Leigh: Peaks and troughs

## Labour swaps private data for computer

Millionaire in £300,000 deal

CHRIS BLACKHURST  
Westminster Correspondent

A millionaire businessman has given the Labour Party a £300,000 state-of-the-art computer system in return for being allowed to use and sell-on information stored on it.

Philip Jeffrey, the multi-millionaire entrepreneur who made his fortune from the Fads DIY chain, has set up a business to provide the party's new media centre with the latest computer hardware and software.

In return for this, he will try to sell the information and the expertise his company has gleaned to other commercial organisations and political parties around the world.

Mr Jeffrey's donation was kept under wraps by party officials when they launched their £2m media headquarters earlier this year with the computer system - codenamed Excalibur - as its electronic heart.

Dubbed "Mandelstam Tower" by some party activists, the centre, which is modelled on a United States-style presidential radio headquarters, will be run by Peter Mandelson, head of the election campaign team.

Until recently, Mr Jeffrey, a Labour supporter, owned the *New Statesman* and *Society*, the left-wing weekly magazine. The company that owns Excalibur is called New Statesman Database but it has no connection with the magazine, which he has sold to the wealthy Labour MP Geoffrey Robinson. The company is entirely owned by Mr Jeffrey and as well as him, has two other directors, Pat Coyne and Peter Jones.

Excalibur is the most powerful weapon in Labour's general election armoury. It

enables party workers instantly to rebut claims and accusations from their opponents. When the Scott report on arms to Iraq was published, all 1,800 pages were scanned into the system in five hours, to make it easier to find the key quotes.

The huge database contains all Labour politicians' recent speeches, statements and poli-

ty documents. Publicly available material by and about its political opponents, including their speeches and gaffes, is also included. The whole system is linked to the Internet.

Party officials have denied claims that the database will store canvass returns and confidential political views of millions of people.

"We are proud of it, it says a lot about the Labour Party - it is tough, it is professional and it is going to work," Mr Blair said about Excalibur at the centre's opening.

Party sources said that Mr Jeffrey was contacted after a national media group had been approached but declined to become involved - for fear

of compromising its political reputation. Rather than buy a system, officials decided to lease one, for free, from a private company. "They said, 'you pay for it to be installed and after the election we will hand it back to you for you to do what you want,'" a businessman close to the negotiations said. The deal is another example of the willingness of Labour under Tony Blair to form close relationships with the business community.

Mr Coyne, of New Statesman Database, said Excalibur was intended as "a rebuttal tool". The arrangement, he said, had been structured through a private company, "to keep it separate from Labour Party finances".

Mr Jeffrey, his co-director said, had not yet decided what to do with the system after the general election.

A Labour Party spokesman said Excalibur was "like a giant electronic library". The system was owned by Mr Jeffrey's company but, the spokesman said, "day-to-day management was a matter for the Labour Party".

The spokesman said that Mr Jeffrey was "very keen to ensure a Labour government". New Statesman Database, he added, would retain "a strategic interest" in the project. "Anybody who needs to index a lot of documents would have a commercial interest in it."

The party official stressed, however, that "it is not our intention to sell confidential information about anybody. A lot of the information on the system at the moment is available publicly".

Mr Jeffrey was overseas and unavailable for comment yesterday.



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### QUICKLY

#### Rail sale profit

Thousands of private investors yesterday sold their Railtrack shares for an instant profit averaging around £100. Page 16

#### Iraq oil ban lifted

For the first time in nearly six years Iraq is to be allowed to sell crude oil to buy food and medicine. Page 2

#### Sex claim rejected

A woman police officer who alleged she had been subjected to months of sexual harassment by three colleagues wept as her claims were rejected by a tribunal yesterday. Page 3

#### Plea to farmers

The Prince of Wales wants his tenant farmers to return to the methods of agriculture used by their ancestors. Page 3

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BEST IN CLASS



BEST IN CLASS

CHATELAIN FLOWER SHIRAZ	21-21 Mar
NICKERSTAD, NATHAN CUP	30 Mar-7 June
1ST CURNALL TIT MATCH v INDIA, ENGLAND	6-10 June
THE DEER, ENGLAND	6 June
ROYAL ASCOT	19-21 June
WASHINGTON OPEN	20 June-14 July
WIMBLEDON TENNIS CHAMPIONSHIPS	24 June-7 July
VEUVE CLICQUOT GOLD CUP POOL, GOLFERS PARK	29 June-21 July
HAMPTON COURT PALACE INTERNATIONAL FLORIST SHOW	8-14 July
BENHIN & HENGLER CUP FINAL, LINDSAY	15 July

**Veuve Clicquot**  
CHAMPAGNE OF THE SEASON



# UN lets Saddam sell oil again

DAVID USBORNE  
New York

After months of combative negotiations with the United Nations, Iraq yesterday won its first relief from the trade embargo imposed on it following Saddam Hussein's invasion of Kuwait nearly six years ago.

Under a preliminary agreement signed at UN headquarters, Iraq is to be allowed to export limited volumes of its crude oil on to the world market, the proceeds of which are to be used exclusively for the purchase of desperately needed food and medicine.

The return of Iraqi crude to the oil markets after so many

years was expected to accelerate a cooling-off of prices, which have been soaring in recent weeks – possibly leading to lower petrol pump prices. Iraq's pipelines could be back in action in as little as a month.

The foundation for the agreement was provided by Resolution 986, adopted by the Security Council more than a year ago with strong support from Britain and the United States. Until yesterday, however, Iraq was objecting to the many conditions that it believed violated its sovereignty.

Under the deal, the UN will have the last word on the sale of oil, on the handling of the cash it generates, and, most particularly, on how the food and medicine is distributed inside Iraq. In the northern areas populated by Iraq's Kurdish minority, the UN will take direct charge of distribution.

Even so, Iraq's main negotiator, Abdul Amir al-Anbari, described the agreement finally reached as being "perfect". He also sought to cast it as constituting the first chink in the trade embargo. "It is going to be a long journey but we have to take the first step," he said.

UN diplomats emphasised, however, that the deal he seen in isolation, as a measure aimed only at alleviating the worst of the suffering in Iraq, whose economy remains in tatters.

"This is a humanitarian exception, it is not a lifting of the sanctions. The sanctions regime remains fully in place," Madeleine Albright, US ambassador to the UN, insisted.

Ms Albright, whose government played a pivotal role with Britain during the four-month negotiations to ensure that the conditions of Resolution 986 were not diluted, described the deal as a victory for the "Iraqi people who have been suffering so unjustly under the contorted priorities of Saddam Hussein".

Only when a range of highly sensitive issues between Iraq and the UN are resolved is the Security Council likely to consider a complete lifting of the

trade embargo. Most importantly, Iraq is still under pressure to provide firm proof that it has abandoned all its programmes for the production of weapons of mass destruction and destroyed any weapons in its stockpile.

The UN is also demanding that Iraq compensate Kuwait for damage inflicted upon it during the Gulf war, return all looted property, and provide full disclosure about prisoners of war.

The signing of the memorandum of understanding yesterday by Mr Anbari and the UN Secretary General, Boutros Boutros Ghali, followed several days of suspense. The green light was finally given by Sad-

dam Hussein only yesterday morning, after he had conferred late on Sunday with senior advisers.

Subject to the drawing up of a detailed implementation plan, the deal will allow Iraq to sell up to \$2bn of crude oil every six months on a renewable basis.

World prices of crude oil have been declining in recent days, partly in anticipation of the deal with Iraq. Yesterday, oil was selling at just over \$20 a barrel, down from a high of over \$26 six weeks ago. There had been speculation that the US was encouraging the agreement, partly in the hope of reversing a recent surge in American petrol prices.

## Sinn Fein ready to accept Mitchell principles

DAVID MCKITTRICK  
Ireland Correspondent

Sinn Fein's president, Gerry Adams, yesterday confirmed that his party was prepared to subscribe to the six "Mitchell principles" which eschew the use of violence.

The announcement will be of some significance if Sinn Fein is admitted to the all-party talks due to begin in Belfast on 10 June. But the acceptance of the principles will be academic unless the IRA renews its ceasefire, since unless it does Sinn Fein will be refused entry to the talks.

The six principles were enunciated in January in a report from former US Senator George Mitchell, who may be involved in chairing part of the talks. The Mitchell report said arms de-commissioning in ad-



Uncompromising message: A Sinn Féin slogan in the Falls Road, Belfast, for the election at the end of the month

Photograph: Crispin Rodwell

vance of talks was not realistic, suggesting instead that parties to talks should give six detailed assurances of their commitment to exclusively peaceful methods.

These included an absolute commitment to peaceful means to achieve aims and a commitment to eventual verifiable total disarmament. Mr Adams yesterday dispelled the idea that these represented a problem for Sinn Féin, though he stressed that he was speaking

only for that party and not for the IRA.

He said in a BBC interview: "I'll sign up to the Mitchell principles providing everyone else is doing it, and provided they're within the context of proper all-party talks, because all of those issues are entirely within Sinn Féin's public policy."

"As far as I am concerned if Mr Major – given the history of British repression, of the claim to jurisdiction over our country, of their involvement on the

conflict here for such a long time – is prepared to sign up to Mitchell, I am prepared to sign up to Mitchell."

When the Mitchell report was published in January Mr Adams welcomed it as a positive development. He and other Sinn Féin leaders have repeatedly said that the party hopes to see the end to all violence: the real issue is whether the IRA is prepared to echo such words, and to date it has not done so.

In a swift rejoinder the

Northern Ireland Office reiterated that in itself the move would not be enough to allow Sinn Féin into the talks. A spokesman said: "There has to be a ceasefire."

Mr Adams's move represents a clearing of the decks in advance of 10 June, since by embracing the principles he has removed from the Government one justification for excluding Sinn Féin from talks. Everything, however, continues to hinge on a renewed ceasefire

but, despite the normal crop of Belfast rumours, there are no firm indications that one is in prospect.

Most observers believe that if there are any moves in the direction of a ceasefire they will come not immediately but in the wake of the 30 May election. British and Irish ministers are to meet in London tomorrow to consider the de-commissioning issue and the question of what role Senator Mitchell might play in talks.

## Brussels to deal the worst beef blow yet

SARAH HELM  
Brussels

Britain was last night preparing for the most severe setback yet in its efforts to reverse the European Union's beef ban.

The EU's standing veterinary committee looked likely to vote against a commission proposal to ease the ban on gelatin, tallow and semen. It was clear that should the vote go against Britain, the Government's attacks on Europe would harden and further threats of retaliation are likely to be swiftly forthcoming.

However, as negotiations went on into the evening, Franz Fischler, the agriculture commissioner, was still battling to persuade the committee to allow the proposal through.

Meanwhile, Douglas Hogg, the Agriculture Minister, was in Brussels separately meeting his European partners and awaiting the decision of the veterinary scientists. At one point late yesterday, both meetings were suspended while attempts were made to reach a compromise formula.

Signs that the veterinary committee was preparing to

vote against the easing of the ban emerged early in the day when several countries indicated that Britain's latest eradication proposals were still insufficient.

Germany and Austria, which have opposed the modification from the start, were joined by Spain, Greece and Portugal yesterday. A rejection by those five countries would be enough to produce the necessary qualified majority to throw the commission's proposal out.

As tension mounted in the meeting, it was clear that outright rejection of the plan would

be viewed with alarm by the Government and with fury by British Euro-sceptics. The commission's proposal, which has already gone through several drafts, has been viewed by the Government as an essential first step towards reversing the entire ban and a clear sign that the end of the crisis is near.

Mr Hogg arrived in Brussels yesterday hoping that the extra measures on BSE which he announced on Friday, involving doubling from 42,000 to 80,000 the number of cattle "at risk" to be slaughtered, would be sufficient.

However, the veterinary scientists voiced intense scepticism yesterday about the new proposal, saying the implications were still unclear and voicing concern about the Government's willingness or ability to tackle the BSE problem. Britain's partners have continued to voice concern about reports emerging from Britain that eradication proposals already set in train are being only partially implemented.

The difficulty encountered by Britain in achieving even a slight lifting of the ban has made clear just how long it will

be over the next few months to reverse the other elements of the blockade.

Even yesterday, British officials acknowledged that the vote in the standing veterinary committee would not necessarily be final. Last night it remained possible that the entire question could still be passed to the full council of agriculture ministers. Furthermore, under the EU's highly complex voting rules, should the agriculture ministers fail to take a clear decision, talks could adjourn for "reflection", which could last several weeks.

## Sharply dressed know-all makes Virginia an offer to refuse

### Too much for a lady in super-Poppins mode

Once upon a time Virginia Bottomley was not very popular. She was the girl who – as Secretary of State for Health – just couldn't say "yes". Today, in the much less prestigious post at Heritage, she has the plaudits for all the doddle laid out by the National Lottery.

"Is she aware how grateful...?" cooed Lady Olga Maitland about some vast hand-out or other. "The people of Scarborough are delighted... opined the town's anonymous member, Nigel Evans of Ribbles Valley, after praising his constituency's cinema for providing "an excellent service" – presumably by showing films – spoke of the national lottery's success in funding amateur dramatics in local village halls. Sounds exciting, Nigel. But could I stand the pace?

Denis MacShane (Labour), the sharply dressed know-all from Rotherham, tried his best to puncture the subsidised bonhomie of the government benches. In a typically MacShanian attempt to link Heritage with Rail privatisation (and thus make page 11 in the *Rotherham Bugle*) he invited Mrs Bottomley to "join me and my family as we take the train from Sheffield to Edale, leaving our car at home".

She should decline. Picture the scene: the entire MacShane family: Dad with shiny whistle, walking stick and compass, kids with those shoes that have animal tracks on the soles. "Look at that Chaenomeles, children!" suggests Denis. "Yes Papa, what early flowering for this time of year?" they chorus. Even Vir-



DAVID AARONOVITCH

ginia in super-Poppins mode might find it all a bit hard.

Rural pleasures gave way to the delights of willow and leather. Not the House of Commons S&M club, but cricket. Julian Brazier (Con, Canterbury) had prepared one of his humorous questions – which invariably incorporate Newbold-type poems delivered with ill-judged gusto. Brazier is tall and thin; his expression that of a good humoured, but not over-intelligent man, concerned that he may be out of his depth. He is like a youngish Latin master at a fearsome public school, permanently anxious to show the boys that he remembers what it is like to be a boy, always dimly aware that somehow it isn't quite coming off. This time he delivered some awful lines about ladies' cricket, maids and ovens, and elicited the inevitable answer about the squillions spent by the lottery on women's sports.

This same concern for our traditions spilled into the session of questions to the Lord Chancellor's department. Andrew MacKinlay (Lab, Thurrock) was getting exercised on the subject of judges' wigs. Mr MacKinlay has the longest list of special

interests and recreations in the *Parliamentary Companion*. They include studying battlefields in Belgium, collecting Labour movement "ephemera and memorabilia" and non-league soccer. In other words, he is a serious anorak.

Like many anoraks he pays only sporadic visits to the real world. Sometimes these encounters enable him to speak with rare insight. So his description of the wigs worn in modern courts as "absurd Jacobean garb" was clearly correct. But he spoiled it when he argued that judges' wigs were "intimidating to those who are accused", making them feel "isolated".

He may be right, but if one were to draw up a guidebook of arguments unlikely to appeal to Tory backbenchers (and New Labour frontbenchers), Unfair To Defendants would be near the top. Most MPs know that those accused are guilty, otherwise the police wouldn't have wasted time arresting them.

More attractive was former barrister Alex Carlile's (Lab Dem, Montgomery) contention that wigs make you go bald. But this too was doomed, for it was revealed that the Lord Chancellor had been looking into the hairpiece question. I saw Lord Mackay at President Chirac's address last week and he looked exactly like one of those Hogarth engravings "The Rakes Receives Sentence" or "Judge Jeffreys And The Black Cap". He was radiant, for he too likes collecting ephemera and memorabilia. On his head,

Museum cash, page 8

## SIGNIFICANT SHORTS

Labour will abolish grants for 1.6m students in higher education and replace them with loans repayable over 20 years at a saving of £15m to the taxpayer under plans to be unveiled today by David Blunkett, the Shadow Education Secretary. The scheme, in the middle of a row over plans to withdraw child benefit for 16-18 year olds in full time education, is likely to provoke an outcry from some Labour supporters, and will be seen as further evidence of the hard-edged edge being applied to Labour policies.

Mr Blunkett will give a commitment that the loans will cover student maintenance, but not tuition fees, as called for by the vice-chancellors. He will commit Labour to spending the additional funds on increasing the proportion going on to college or university from 30 per cent to 40 per cent by the turn of the century.

Mr Blunkett will stress that hard choices will have to be taken to increase the numbers going into higher education, but many of the controversial details will be headed to a review under Sir Ron Dearing. These will include the size of the loans, and the rate at which they should be repaid.

The Dearing review will also consider whether smart loans should be used for individual learning accounts, and proposals that they should be administered by a "learning bank" proposed in the Commission on Social Justice report. Private money could be encouraged by Labour to finance the loans, and invest in capital schemes in universities. *Colin Brown*

Police believe a row between bar workers in the Kirkby area of Liverpool behind the murder of a freelance security adviser led to a death in a city pub at the weekend. Stephen Cole, 37, from Fazakerley, died when a mob of around 10 men beat him to the pub with baseball bats.

Kirby, and a football Liverpool soccer player, was forced back into his alcohol when he had been having a drink with his wife. Mr Cole was with a variety of weapons, including a baseball bat and a CS gas. The gang fled and Mr Cole was taken to hospital, but he died shortly afterwards. Police had been advising licensees about employing bar staff and how they should handle customers. Last summer he was charged with "imputed murder at Liverpool".

Police are looking for a suspect in the murder of a violent attacker in Kirkby, Merseyside, last week, and believe it was connected to a dispute between two men among doormen. *Jason Bennett*

A police inspector's 17-year-old son who died with his father in a car crash had not passed his driving licence and no licence or MOT test certificate, an inquest heard. Richard Smith, son of a police inspector, died instantly when his Mini Metro failed to stop at a red light and ploughed straight on into an oncoming lorry on the A413 Buckingham bypass in February 1994.

Watson, 17, Paul Smith, 16, and another boy, 15, died at the scene. Another boy, 15, was pulled alive from the wreckage. Coroner Rodney Corner said the boys were on the victims, who were from the Kirkby area and were students at Milton Keynes College.

Mr Corner said there were too many people in the car and that the driver was not being able to see. The inquest at Milton Keynes was held at the home of the mother and father had gone away and that he was at home on his own when he took the car, which he had been given as a present, without their knowledge. *PA*

Timothy Lee, who played the cult television character *Dr Who* for four years during the 1970s and went on to appear as children's character *Warwick* Gimmidge for nearly a decade, has died from a heart attack while on holiday with his wife and friends. He was 76.

Factor, whose acting career spanned 60 years and included *The Navy Lark*, was found dead in bed by his German-born second wife Lucy. He had no history of health problems and had worked right up until the end of his life.

He was using the holiday in Connecticut to take a break from his popular one man tour of Britain which he was due to resume on Thursday. Ironically his death comes as the cult science fiction series is about to take off again with a feature-film length special on Bank Holiday Monday, with Paul McGann as the latest Doctor. *PA*

Cambridge University has banned the use of mobile phones in its main library after complaints about students carrying on conversations while people were trying to study. Deputy librarian Roy Welbourn said signs had now been put up asking users to switch off phones when they came into the building.

"We have had increasing numbers of complaints from readers about conversations in reading rooms and study areas where reasonable quiet is expected," he said. "More and more telephones were being used more and more like an extended telephone kiosk. This is not a Luddite response – merely a reaction to complaints about people wanting to study in a reasonably quiet atmosphere." *PA*

The corridors of the library were being used more and more like an extended telephone kiosk. This is not a Luddite response – merely a reaction to complaints about people wanting to study in a reasonably quiet atmosphere. *PA*

Thieves broke into historic Southwark Cathedral and stole the bishop's ring and four gold chalices. The items have a face value of £16,000 but are said to be "priceless" to the church. Police believe the items may have been stolen to order.

The thieves broke into the cathedral in south London over Sunday night by smashing a Victorian stained glass window in the north choir aisle. They made their way through the vestry and into the part of the building where the items were in a glass display cabinet.

The cabinet was smashed with a fire extinguisher. No alarms were triggered as the burglars left and the theft was not discovered until yesterday morning.

The chalices were made in the 15th and have an ornate design. The ring is made of gold and had a gold cross on it. It was made in 1905. Mr Mark Smith, one of the cathedral's vergers, said: "The chalices were used on some occasions. We will be able to manage without them. The thieves do not look very professional to me. The window and cabinet were smashed in and there was quite a mess."

Peter Victor

The Yorkshire Post's Book of the Year award has been won by *The Five Giants: A Biography of the Welfare State* by Nicholas Timmins. *The Independent's* Public Policy Editor, described by reviewers as "a masterpiece", "a blockbuster" and "a remarkable tale... remarkably told". It earlier won the Longman/History Today Book of the Year. It is published in paperback by Fontana Press at £9.99.

## THE INDEPENDENT ABROAD

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# Prince tells farmers to go back to their roots

Tenants are told ancestral methods will preserve the land, writes Louise Jury

The Prince of Wales is urging his tenant farmers to return to the traditional methods of agriculture which were employed by their ancestors.

In a plea to preserve the "indefinitely precious resource" of Britain's beautiful countryside, the Prince has told his tenants in the Duchy of Cornwall that the old ways of managing the land may preserve it for the future.

His land stewards and their staff are encouraging tenants of the Duchy's 222 farms to take advantage of schemes which fund practices that are sometimes regarded as old-fashioned.

In *The Duchy Review*, a magazine for tenants, which arrived on their doorsteps yesterday, the Prince wrote about the kind of schemes that he wanted to encourage.

With evident delight, the Prince described how some tenants on Dartmoor have established traditional apple orchards, and how others on the edge of the Wessex Downs were working to save rare downland turf.

While discussing the environmental movement's mantra of "sustainability", the need for decisions to be made today with the impact on future generations in mind, the Prince said this was only a complicated way of saying "we should operate with at least one eye fixed firmly on the long-term".

He took a swipe at the large-scale, mechanistic farming of this "supposedly more advanced age" and said that traditional methods would not have survived so long if they had not been "sustainable".

He said he was encouraged by the number of tenants in the Duchy who are taking advantage of schemes to revert to traditional ways of farming and improve the look of the countryside.

Rex and Clive Hooper, brothers who farm in Mere, Wiltshire, will be entering the Duchy's new Habitat Award for their work on preserving the local habitat.

Pam Hooper, Rex's wife, said the farm looked beautiful when the wild flowers were out and attracting butterflies. "The

Duchy are all for it," she said. Lloyd Lyne, 73, who lives near Truro, Cornwall, worked with conservation volunteers to restore two ponds in his 400 acres and the Prince had paid for old buildings to be repaired with traditional slate.

But his son, Christopher, 37, said the task had not been easy. "We're running a business to make a profit, and at the moment there is very little profit to be made."

Despite the difficulties, Patrick Holden, of the Soil Association, said the Prince's influence was important and contrasted favourably with, for example, the "extremely commercial" attitude towards land which was shown by the Church of England's commissioners.

"I'm absolutely certain he's made a difference. If you did a league table of environmentally-friendly landlords, I think the Duchy would be right at the top," Mr Holden said.

Anthony Gibson, who heads the National Farmers' Union (NFU) in the south-west, said the Duchy took a "very responsible attitude", which was broadly welcomed by tenants.

"Sometimes they find it a bit difficult to comply with the environmental requirements that are laid down for them and pay the rent. But they have come to understand their landlord's aspirations and, in many cases, to share them."

Brian McLaughlin, the NFU's head of environment and land use, added that some of the practices which were being encouraged by the Prince were very recent.

The use of "managed field margins" as corridors for wildlife between cultivated fields was not at all traditional. In concluding his article, the Prince stressed the ancient rather than the modern.

Some aspects of the countryside would change but people ought not to be embarrassed about wanting to protect "timeless things" like rare habitats and rural communities, he said.

"Nor should we forget that the traditions of management which gave them to us will also sustain them for us, and for our children and children's children," he said.



Green remembered hills: A view over Prince Charles's Duchy land near Tavistock, Devon

Photograph: Marc Hill



Modern methods: A combine harvester at work

## Money shapes the face of the countryside

Nicholas Schoon on the prospects of re-establishing traditional agriculture

As in architecture, so in farming. In the Duchy of Cornwall's magazine, Prince Charles declares himself an arch-traditionalist. He venerates the wisdom of our ancestors in their ways of managing the land, and mourns our rapid abandonment of their practices.

"I believe we can still learn from them in this supposedly more advanced age," he writes. "Traditional farming practices are... eminently sustainable, because they would not have survived so long if they were not."

Across huge swathes of our countryside, those traditions have perished in the past 50 years, transforming the landscape in the process. Dry stone walls have crumbled, hedges lucky enough to escape erasure in the creation of prairie-fields have become gappy and ragged.

Hundreds of square miles of wildlife-rich pasture, heath, marsh and hay meadow have gone under the plough. Surviving woodlands are now full of geriatric trees or overgrown coppice because no one takes wood from them any more.

The Prince wants to turn the clock back at least 40 years. He is doing what he can on the Duchy's 50,000 hectares of farmland, and hopes his 222 tenant farmers will see things his way. But his article offers little in the way of prescriptions for how and why these traditions should be revived nationwide.

The look of the British countryside has always been the result of farmers' need to make a living. And like their ancestors, post-war farmers have sought to make the best possible living by growing as much food as quickly as possible. A combination of rapid technological change and generous crop subsidies have made them abandon traditional methods.

Old ways have become too labour-intensive, obstructive, or irrelevant, just as in most other industries. But only in farm-

ing does our overwhelmingly metropolitan society challenge this abandonment of tradition.

The public appears to want traditional farming with landscapes and wildlife conserved, animals given more freedom, pesticides and industrial fertilisers shunned. But people should not be surprised if farmers resist because those changes would mean a large drop in their living standards.

Given the right incentives, farmers will do what is asked of them. Many hundreds are already receiving grants from the taxpayer to revive traditional practices, but these are still minute compared to their other EU subsidies. And to be fair, there are plenty of farmers who like to maintain hedgerows and plant trees out of a sense of stewardship.

Environmental groups argue that EU subsidies should only be given if farmers make at least some basic undertakings to look after the landscape. So far, they have persuaded neither the Ministry of Agriculture nor the European Commission.

You could, theoretically, compel farmers to restore the landscape but imagine the bureaucracy involved in enforcing rebellious squires to do so. There would have to be regular inspections to ensure that hedges and ponds were properly maintained and trees planted.

One should not be bound by tradition. If we are going to pay farmers for their contribution to the appearance of the countryside, then it can be almost any kind of landscape we want.

Why should we not have one or two huge, wilderness forests which it takes more than a day to cross on foot? After all, that is what almost the entire countryside looked like 9,000 years ago, and they still have them in the United States. We could even reintroduce wolves, and give traditional fairy tales fresh meaning.

### Britain's changing farmland

The length of British hedgerows fell by 23 per cent between 1984 and 1990. Most of this was due to neglect. Ten per cent were removed completely.

The variety of plants in woodlands and upland grasslands decreased between 1984 and 1990.

Just over three-quarters of England's land area is farmed. The remainder is urbanised or is woodland, roads and reservoirs.

Only 7.5 per cent of England is woodland - one of the lowest proportions in Europe. A greater proportion is covered by villages, towns and cities. Broadleaved woodland is increasing slowly.

Ten per cent of English farmland is now within 22 Environmentally Sensitive Areas, where farmers can obtain grants for traditional farming practices such as maintaining dry stone walls.

In 1973 the average yield per hectare of wheat was 4.37 tons. In 1994 it had risen to 7.35 tons.

In 1973 English farm labourers numbered 320,100. In 1994 there were 191,000.

## WPC loses harassment case

JASON BENNETTO  
Crime Correspondent

A woman police officer who alleged she had been subjected to months of sexual harassment by three male colleagues wept as her claims were rejected by an industrial tribunal yesterday.

PC Karen Wade, 26, had claimed she had been "humiliated and victimised" by PC Dean Mountain and Sergeants Paul Fountain and Ian Devey, of West Yorkshire police. Among the allegations, which were dismissed, was that one officer suggested she should have sex with a glue sniffer in the back of a police van.

The tribunal at Leeds unanimously found that Sgt Foun-

tain, 30, did not discriminate against his colleague. In the case of PC Mountain, 30 and Sgt Devey, 32 the panel decided, by a majority, there was no discrimination.

After the judgment the male officers made a short statement through their solicitor, Hilary McLaughlin. "Since August 1995 these officers have been subjected to both an internal and external investigation," Mrs McLaughlin said. "The investigation in 1995 found nothing against these officers. The applicant then sought to bring these allegations into the forum of an industrial tribunal. Again, they have been exonerated."

Ms Wade said after the ruling: "By taking my case to an in-

dustrial tribunal and as a result of the vast media attention the case has received, I believe I have given strength to a number of others."

Welfare workers said yesterday that most allegations of sex discrimination failed to reach an industrial tribunal. Most women chose to "grin and bear" it or were advised to keep quiet in case they blighted their careers.

The bitterness of many policewomen was voiced by Sgt Jane McGill, 43, who spoke in support of PC Wade. She told the tribunal: "To be a woman in the police force until recent times has been difficult. I, for my part, have survived that experience for more than a quarter of a century because for a

major part of that time I chose to go along with it."

Despite yesterday's judgment, there has been evidence as recently as February that sexism and racism are still a problem in the police service.

A study of 13 forces by HM Inspectorate of Constabulary, while acknowledging that "substantial" progress had been made since its last report in 1992, concluded that a male "canteen culture" was prevalent and "there was evidence of continuing high levels of sexist and racist banter, perhaps more covert and subtle than before, but no less destructive."

Women account for about 14 per cent of the 124,000 police officers in England and Wales.

## Nolan 'should investigate Tory funding'

Labour last night demanded that the Prime Minister should allow the Nolan Commission to look into allegations of "secret and suspect" funding of the Conservative Party by the fugitive tycoon Asil Nadir.

The move came after the Tories were also accused of receiving £100,000 from a Serbian businessman linked to the Bosnian Serb leader Radovan Karadzic.

The claims resulted in the Conservative Party chairman, Dr Brian Mawhinney, ordering an immediate internal inquiry into the allegations - which have been strongly denied by the unnamed businessman through his lawyers.

The Labour deputy leader

John Prescott said the case for the Tories to open up their party's books to public scrutiny was now "unanswerable" and Lord Nolan should be allowed to mount a full investigation.

A Commons motion sponsored by Labour's Andrew MacKinlay, MP for Thurrock, piled on the pressure, adding: "Any failure to open the books or to allow proper examination will be inevitably seen as confirmation that the Conservative Party has something serious to hide."

But Downing Street sources rejected the calls, insisting: "It is not in Lord Nolan's remit to investigate these allegations. There has already been a Home Affairs Select Committee report

on the issue." The former Conservative Party Treasurer Lord MacAlpine entered the row, calling for the money donated by former Polly Peck chief Nadir to be handed back.

Lord MacAlpine, who was party treasurer when Nadir made his £400,000 donation, said it now appeared the money was "dubious" and should be returned to the receivers of Nadir's failed business empire.

Accountants Touche Ross were reported to have advised Conservative Central Office secretly three years ago that £365,000 of the money given by Nadir had been stolen from Polly Peck.

Lord MacAlpine told BBC Radio 4's *World at One* pro-

gramme: "At the time we took the donation from Asil Nadir, he was regarded as one of Britain's leading businessmen."

"It seems as if the money that we took was dubious. Personally, I would have given it back." Insisting the Tories must now open their books, Mr Prescott said: "As things stand, a multi-million pound Tory campaign is being funded from secret sources."

"We have no idea what promises the Tories have given to foreign donors in return for the money. Such a situation is a constitutional outrage. The time has come for John Major to reverse his previous decision to deny Nolan the opportunity to investigate party funding."

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## politics

## Dorrell sets out stall for Tory leadership bid

DONALD MACINTYRE  
Political Editor

Stephen Dorrell projected himself as a potential unifier of the Conservative Party last night when he donned the mantle of Thatcherism to argue that modern Tories rather than new Labour were the true "one nation" force in British politics.

The Secretary of State for Health sought to reach out beyond his natural base on the party's pro-European left with a speech lauding Barroess Thatcher and calling for Tories to enlarge "the scope of personal responsibility" and reinforce "the ties of nationhood".

His speech to the Tory Reform Group, usually regarded as a bastion of the Conservative left, is certain to be seen by MPs as yet another sign that several ministers are subtly repositioning themselves with an eye to a post-general election leadership contest.

Mr Dorrell combined an attempt to decouple the term "one nation" from its Tory left connotations with language which was strikingly right of centre on the need to curb social security spending and to stand up for Britain as a nation state within Europe.

Ignoring Lady Thatcher's gibe at "no-nation Conservatives" in January, Mr Dorrell entitled his speech: "Why Lady Thatcher is a one nation Tory." Much of it was taken up with a closely argued attack on Tony Blair for claiming Labour as the natural "one-nation" party. Mr Dorrell said that Mr Blair "sounds hollow when he talks of insecurity felt by many people in the face of changes they have faced in recent years".

He said that while it was true that "many people had been disoriented by the pace of change in recent years" it was not possible to offer "an escape from the uncertainties of life".

Mr Dorrell went on to say that insecurity was indeed a "key question in modern politics" and one the Tories were uniquely qualified to answer. He argued that personal responsibility - fostered by lower taxes and higher ownership, financial stability and law and order were all key elements in ensuring individual security.

He drew a distinction between health and education - accepted as "universal services which serve the needs of the great majority of the population" - and the welfare state, which was "primarily designed

to offer a safety net to those who are unable to provide for themselves".

Mr Dorrell said that the principle of universality in benefits was "not simply expensive - it is also impossible to reconcile its widespread application with the Tory commitment to enlarge personal responsibility". There were "uncomfortable questions" such as "How do we support those who cannot cope without increasing the numbers of those who choose not to cope? How do we reconcile support to the individual rejected by their own family without undermining family responsibility?"

On Europe, Mr Dorrell struck a sharply sceptical note, calling on the European Union to "re-examine the structures which have grown up in the last four decades" and declaring: "For a Conservative, Europe *a la carte* is not a derogation from a principle; it is an assertion of the principle of nationhood."

He added: "One Nation is not simply a sound bite available to be licensed to any passing minstrel... Still less is it the voice of faction - a phrase to distinguish one Conservative from another."



Handy platform: The Home Secretary, Michael Howard, talking to schoolboys at Newcastle railway station yesterday as he arrived to review security for the Euro 96 football championships, to be held in June. Photograph: Raoul Dyon

## Ashdown savages 'racist' Tories

JOHN RENTON  
Political Correspondent

Paddy Ashdown, the Liberal Democrat leader, yesterday accused the Conservatives of "slandering to racism and xenophobia" in a strong assertion of his party's liberal credentials.

Developing his strategy of attacking the Tory Government while marking out territory distinct from Tony Blair's New Labour Party, Mr Ashdown laid claim to the "true patriotism" of tolerance and international co-operation.

He told his party's parliamentary candidates at Westminster last night that the Tories were "abusing patriotism in a desperate attempt to cling on to power, but it is a false patriotism".

He attacked the growing questioning of Britain's membership of the European Union in the Tory party. "It is the voices of isolationism, even of a petty xenophobic nationalism, that are the loudest voices we hear," he said.

"We are told that all this unpleasant hysteria is about patriotism, that it is all about standing up for Britain. Nothing could be further from the truth."

He said: "Britain's greatness has not come from looking inward, from retreating behind island walls or shouting insults at foreigners. It has come from going out, making things happen, building empires, interacting with other cultures."

He went on: "English, as a language, did not flower through mean Anglo-Saxon moosyllables, tailored for the front page of the tabloids. It flowered from the words of Milton and Shakespeare, which drew so richly on the classics and on the treasury of European tongues."

Mr Ashdown laid down a challenge to Labour by positioning the Liberal Democrats as the most libertarian party on race and immigration.

He then attacked Michael Howard, "A true patriot would be repelled by a Home Secretary pandering to racism, xenophobia and intolerance," he said.

He said a true patriot would oppose the Asylum and Immigration Bill, which Mr Blair and Jack Straw, Labour's home affairs spokesman, have made clear they will not vote against.

"A true patriot would condemn out of hand this twaddle affront to our centuries-old tradition of tolerant welcome for the persecuted - Dutch Protestants, French Huguenots, Jews from all over Europe, and many, many others," he said.

His speech follows the challenge last week from Alex Carlile, Liberal Democrat home affairs spokesman, to Mr Straw, after Labour failed to support his amendments to the Bill in the House of Lords.

"Whose side are you on, Jack?" Mr Ashdown declared. "It is time for all true patriots to argue with passion again for the traditional values of decency and tolerance at home, for reform in our rotten politics, for constructive co-operation abroad."

## Labour targets 10-year-olds in crime initiative

COLIN BROWN  
Chief Political Correspondent

Children aged 10 could face court action under tough measures unveiled by Labour yesterday to combat crime by young people and seize the initiative on law and order from the Tories.

Jack Straw, the shadow Home Secretary, said children aged between 10 and 13 were "plainly capable of differentiating between right and wrong". Labour will abolish the rules under which young people under 14 are protected by the rule of *doli incapax* - "incapable of evil".

The system of repeated police cautions would be replaced with a final caution with the threat of court action, if conditions were breached. Courts will be given the option of naming offenders aged 16 or over.

Police leaders last night welcomed the measures. "This is a feature of the criminal justice system that has caused untold misery for years. Both the police and public have been frustrated at society's inability to prevent 'bad' behaviour by youngsters," said Brian MacKenzie, the president of the Police Superintendents' Association of England and Wales.

"This lack of discipline is recognised by youngsters, who

are not slow to take advantage of the system."

"I think Jack Straw's paper represents a realistic attempt to tackle the blight of juvenile crime and unacceptable behaviour by youngsters."

"Teachers, police officers and others in authority should be empowered to deal with juvenile anti-social behaviour quickly, in the knowledge that they have the full support of the community and the criminal justice system. A return to such standards and values is to be welcomed and is in the best interests of everyone."

Ann Widdecombe, Minister of State at the Home Office, dismissed Labour's proposals. "It is not even re-inventing the wheel, it is simply re-describing it. It is taking a series of measures we have already introduced. It is calling each one of them by another name and saying 'Here's a package to tackle youth crime'."

The overall thrust of the policy paper, *Tackling Youth Crime, Reforming Youth Justice*, was privately seen by senior Tory Party sources as a successful attempt to outflank Michael Howard, the Home Secretary. "It is getting hard to keep up with their shifts of policy. They are getting more authoritarian than we are," said one Tory source.

## Second city back in frame for Millennium Exhibition

Virginia Bottomley, usually so gushing at Question Time over the wonders of the National Lottery, was strangely reticent yesterday when pressed over the troubles besetting the proposed Millennium Exhibition at Greenwich, south-east London.

The Secretary of State for National Heritage told MPs that the Lottery enabled Britain to fund a celebration which so far exceeded any planned by other countries. But she gave no assurance that the £400m show would go on at Greenwich and even acknowledged the "great advantages" of the rival Birmingham area.

Last week the *Independent* disclosed that big business was reluctant to provide the £200m of sponsorship required if the project is to go ahead. The Millennium Commission, chaired by Mrs Bottomley, met last Friday and gave its fundraiser, Sir Peter Levene, until the end of June to come up with the firm business plan sought by potential backers.

Jack Cunningham, the shadow Heritage Secretary, asked Mrs Bottomley for an update on just how much private sector funding had been raised for investment in the exhibition. "Has more time been allocated to the fundraising process?" Mr Cunningham asked. "Has

the Government agreed to underwrite the whole project as some press reports have indicated, and, if so, will it be coming from her department or the Treasury?"

But Mrs Bottomley said she was not able to give full information about the discussions under way, "many of which are, of course, confidential".

She confirmed that Sir Peter had been asked "urgently to do more work to take forward the encouraging early commitments and understandings that have been reached". It was a complex but exciting proposal, Mrs Bottomley said. "It will provide the nation with an opportunity to celebrate the new millennium in one place and provide a lasting legacy in the form of a very significant regeneration of an underdeveloped but exciting part of London."

Robert MacLennan, for the Liberal Democrats, took issue with the commission's condition that the exhibition would only go ahead at Greenwich if lottery money was matched by business sponsorship.

"It was the Festival of Britain and not the National Lottery which brought about the regeneration of the South Bank and made it such an exciting magnet to people interested in the arts all over the world," Mr MacLennan, MP for Caithness and Sutherland, said.

It would be a tragedy, he added, if Mrs Bottomley failed to pull off the Greenwich project to regenerate eastern London. "It should not be dependent on levels of private funding to celebrate the millennium and bring this about."

The cloud over Greenwich has the glimpse of a silver lining for West Midlands MPs. Bill Oiler, MP for Nuneaton, urged Mrs Bottomley to "seriously re-think" holding the festival at Birmingham's National Exhibition Centre.

With Sir Norman Fowler, former Tory party chairman, MP for Sutton Coldfield and chairman of Independent Midland Newspapers, nodding in agreement, Mrs Bottomley said she hoped it would be possible to have clear announcements before long. She added: "I am well aware of the great advantages of Mr Oiler's part of the country."

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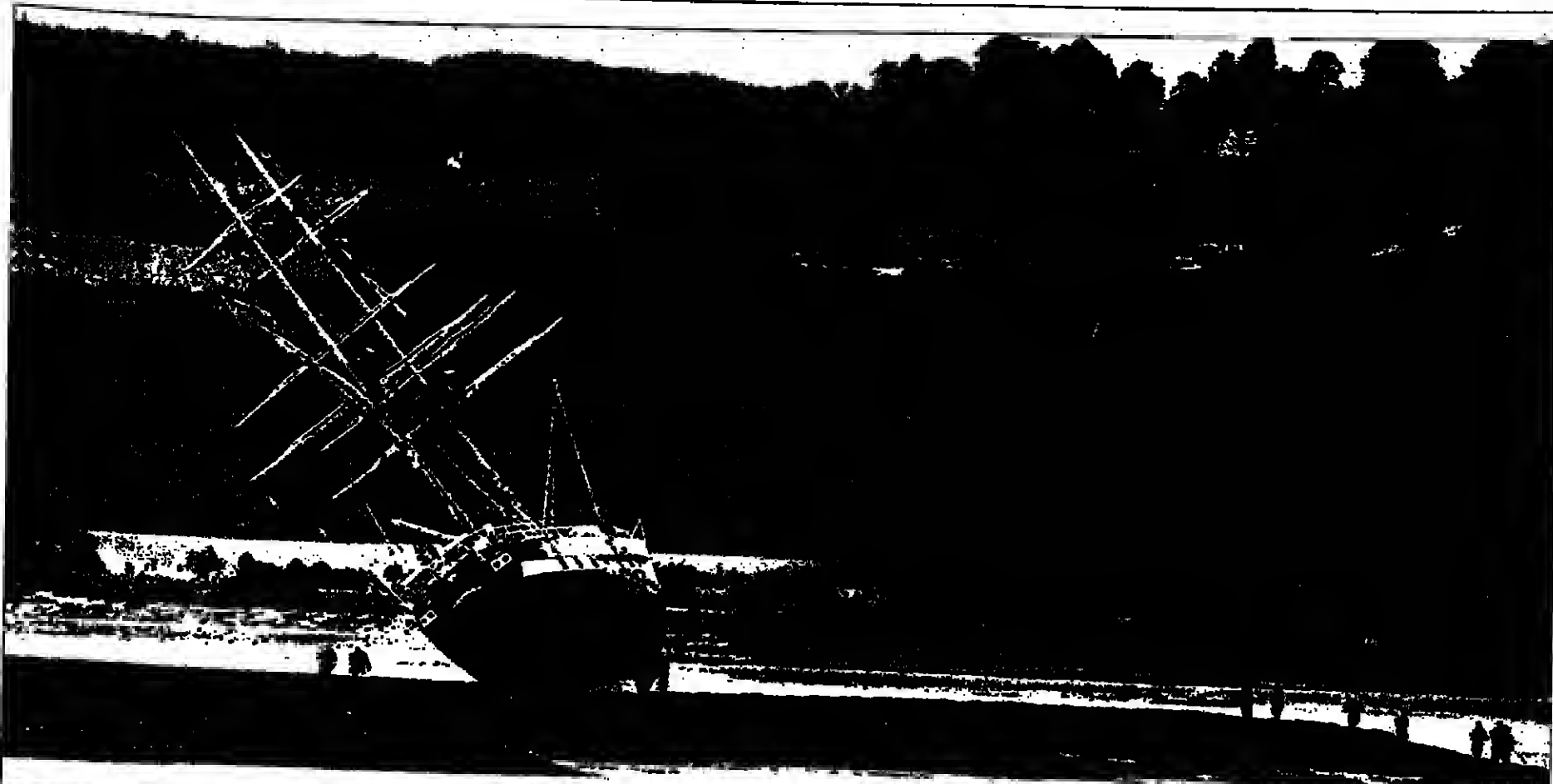
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High and dry: The *Royalist* aground yesterday in the Severn after being caught on a falling tide. The cadets were taken off by helicopter and lifeboat

Photograph: SWNS

## Cadets taken off stranded ship

Twenty sea cadets were yesterday safely evacuated from a sail training vessel that ran aground in the River Severn.

An RAF helicopter and inshore lifeboat took the trainees off the 110-ton *Royalist* after it became stranded on a falling tide.

The ship's master, a pilot and 12 crew were staying on board and planned to try to refloat the vessel on last night's high tide.

A tug and rescue services were remaining on stand-by until the 100-ft brigantine was out of danger. The weather was described as good.

A rescue was launched when the *Royalist* got into trouble in the estuary, three miles north of the Severn Bridge and near Oldbury power station.

Reports said the vessel was listing more than 30 degrees as it was left aground.

A Sea King helicopter from RAF Chivenor, north Devon, and lifeboats from Sharpness and Chepstow were later brought in to take off the crew, who were landed ashore at

Beachley Slip, on the Welsh side of the estuary and Sheperdine, Avon.

No injuries were reported.

Mike Osborne, the district controller of the Swansea Coastguard, which was co-ordinating the rescue, said it was not clear why the *Royalist* had gone aground.

"Our prime aim is to ensure the safety of all of those on board and for this reason we began moving the crew," Mr Osborne said.

The *Royalist*, which was registered at HMS *Dolphin* in Gosport, Hants, was built in 1971 and travels mainly around Britain as a training vessel for sea-cadet training. The big

bad just left Gloucester docks after a visit to the local Sea Cadet Corps at the weekend. The 100-ft ship was built for the sea cadets and is crewed by their

instructors. It was open to the public in Gloucester docks, Britain's most inland port, on Saturday, when cadets in full

dress uniform took visitors on guided tours of the vessel.

## Jails face crisis as prisoner levels rise

ROS WYNNE-JONES and JASON BENNETTO

The Prison Service is facing a fresh crisis as the number of new inmates spirals out of control with an extra 600-700 offenders being locked up each month at a cost of more than £1m, it emerged yesterday.

The unexpected rise - the Home Office had predicted an increase of around an extra 150 a month - could cause the total population to leap to 57,000 by the end of the year, way ahead of the original projection of 53,200.

Richard Tilt, the new director-general of the Prison Service, disclosed the new figures yesterday and warned that the rise this year had taken place even before the effects of the plans by the Home Secretary, Michael Howard, to introduce tough new sentences.

Mr Tilt also revealed that the service was involved in talks with the Home Office in an attempt to get additional funding for the extra inmates.

"We shall need additional funding - we can't provide additional accommodation out of our existing budget," he warned. If the prison population continued to increase unchecked, the Prison Service could be facing a funding shortfall of tens of millions of pounds, he said.

The news followed warnings from probation workers and prison officers that the system could not cope with a rising number of inmates at a time when the budget was being cut by 13 per cent. Furthermore, 3,500 prison officers have applied for voluntary redundancy offered as a result of cutbacks in the service. It costs the service more than £24,000 per year to keep each prisoner.

Mr Tilt said: "By Easter, when we would normally have expected to see a drop in the prison population, we had 53,500 prisoners. This has now risen to 54,500." This figure

surpassed the Prison Service's projections for the jail population at the turn of the century.

Mr Tilt added: "We are experiencing much more immediate population problems than those which may come as a result of the White Paper [on sentencing]."

Mr Howard proposes introducing minimum sentences for repeat burglars and drug dealers. He also plans that automatic life sentences should be given to second-time offenders convicted of serious violent crimes and the abolition of automatic early release.

Mr Tilt said that contingency plans were being introduced, including bringing disused Victorian prison wings back into use and erecting prefabricated housing blocks on prison sites. This would take about 12 months, however, whereas the problem was immediate.

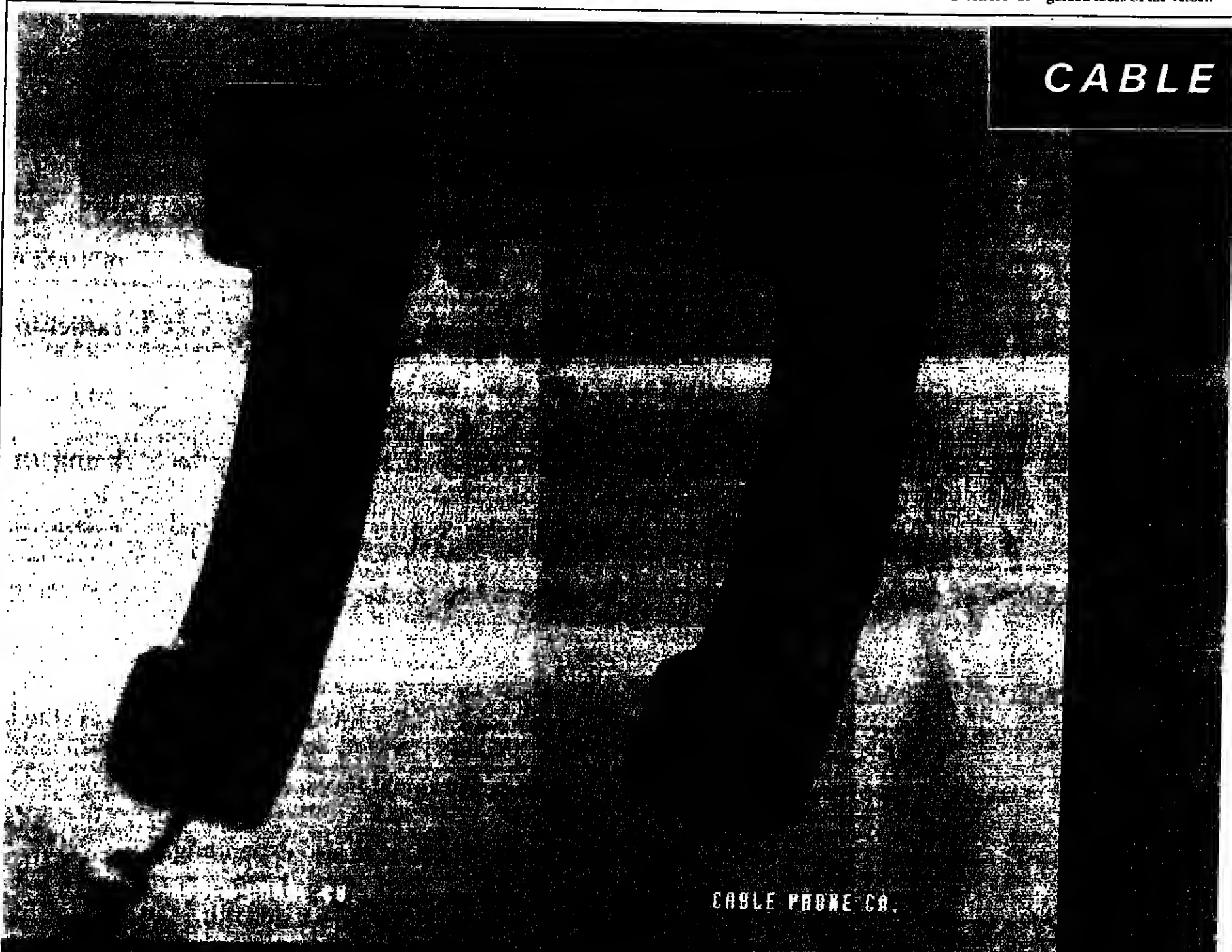
"We are experiencing the highest ever British prison population," Mr Tilt said.

He said that he believed the trend was due to Crown Courts around the country passing more custodial sentences than in the past and giving slightly longer sentences.

Harry Fletcher, of the National Association of Probation Officers, said: "The trade unions having been saying for months the figures do not add up. The Prison Service clearly is in a crisis and unless massive amounts of money are found quickly the prisons will become ungovernable."

David Roddan, general secretary of the Prison Governors' Association, agreed with Mr Tilt's assessment that the political climate was affecting the prison population.

He said: "The Home Secretary's previous protestations that he doesn't influence the rise in the prison population, that it is simply a matter for the courts, is disproved. There has not been a rise in indictable offences that can explain a huge rise in the prison population."



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مكتبة القرآن الكريم



# Aptitude tests in technology for 11-year-olds

FRAN ABRAMS  
Education Correspondent

New tests in technological ability for 11-year-olds could help the Government's business-sponsored technology colleges to select their pupils in future.

The tests, commissioned by ministers, may be based on selection procedures used by the Air Force to pick potential pilots and navigators. Officials from the City Technology Colleges Trust have already visited RAF Cranwell in Lincolnshire, where the selection takes place, to look at the interactive computer exams used there.

Under the new tests, children would be assessed on skills such as hand-eye co-ordination and spatial awareness. Their results could determine whether they are allowed to enter one of the country's 196 specialist state schools and colleges. A research project to develop the new exams was launched yesterday by Gillian Shephard, Secretary of State for Education, as she announced 38 new technology and language colleges. It will initially work on tests for technological aptitude but could be extended to other subjects such as languages.

Mrs Shephard said the project was designed not to assess knowledge or skills but aptitude.

Children who had never studied a foreign language would be able to take such a test as easily as one who had, she said, and the exam could prove useful to over-subscribed schools. "This is to make sure that schools have all the tools they need available to them to make such a selection of that's what they require."

Existing tests developed by the National Foundation for Educational Research (NFER), which will carry out the research, require children to solve puzzles and fit shapes into spaces. The new variety might also include an interactive computer.

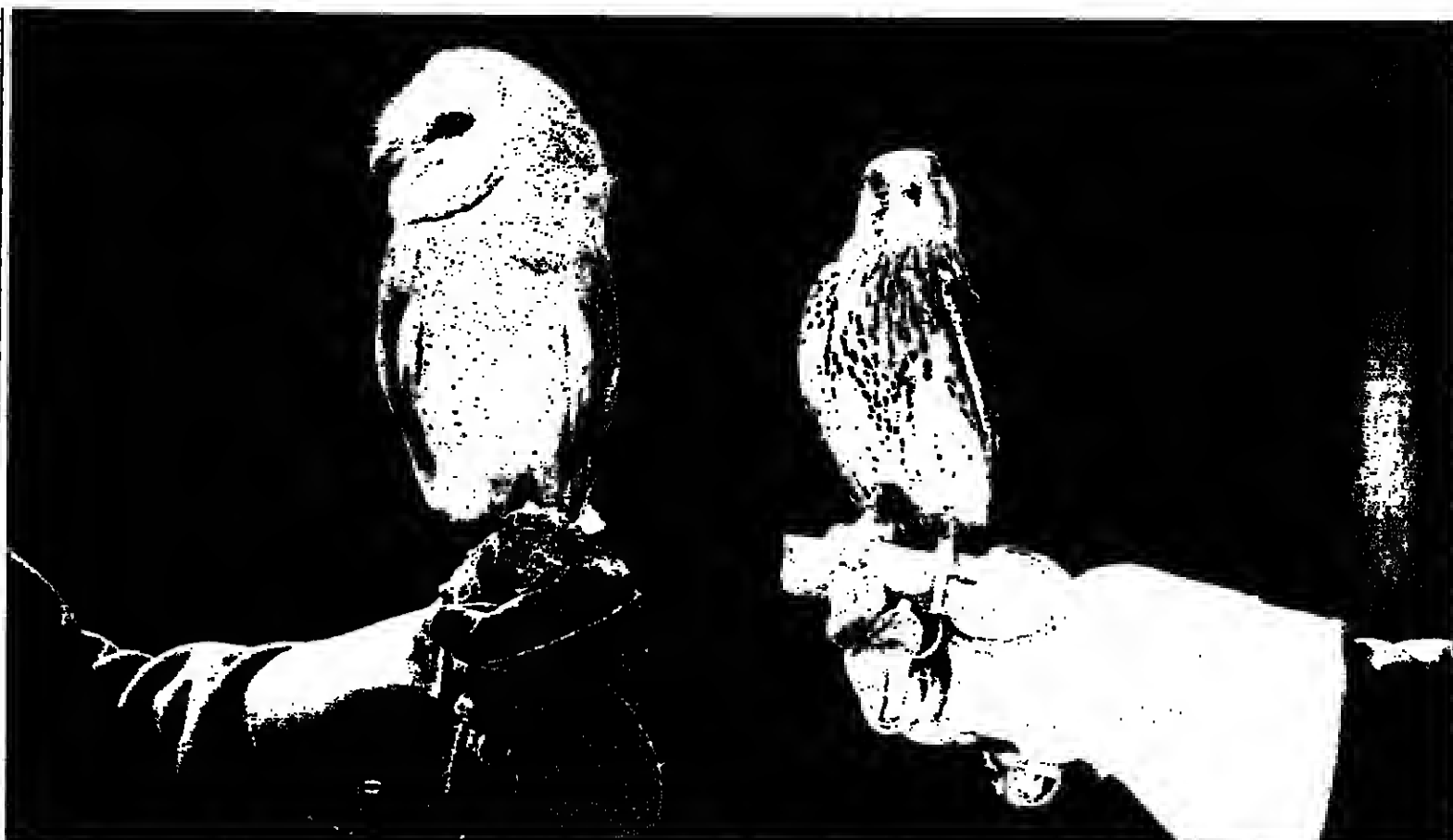
Opinion among headteachers invited to yesterday's press conference was divided. Frank Green, principal of the Lincoln School of Science and Technology, a grant-maintained school supported by 50 companies, said he would be interested in using the tests. His school already used the NFER tests with 12- and 14-year-olds to monitor progress and was considering using them as a selection tool for 11-year-olds.

Hazel Farrow, principal of Loxford Technology College in Redbridge, east London, said she would not use them. "In terms of the future of the country, it is the average child who needs to have these skills. I think

those with aptitude will gain them anyway. I want to increase those skills in the population in general," she said.

Yesterday's announcement brings the number of language colleges to 30, technology colleges to 151 and City Technology Colleges to 15. Business sponsors have now contributed £60m in just under 10 years.

To take part in the programme, schools must raise £100,000 in sponsorship. There were 117 applications for 38 places in the latest tranche of new colleges. Among the successful ones was one of the country's top grammar schools, the Royal Grammar School in High Wycombe, which will become a language college.



Bird in the hand: A barn owl (left) and a kestrel take a bow for the launch at Bristol Zoo Gardens yesterday of Operation Raptor Link, a conservation project by the Hawk and Owl Trust to help threatened birds of prey in the South-west. Photograph: Rob Stratton

## School vouchers urged for pupils from 5 to 16

JUDITH JUDD  
Education Editor

All parents of children aged between five and 16 should be given vouchers to spend in a privatised school system, a leading academic said yesterday.

Vouchers are being piloted by the Government for under-fives' education and are being considered for post-16-year-olds. However, Lord Skidelsky, chairman of the Social Market Foundation, said the idea should be extended to pupils of compulsory school age.

Lord Skidelsky, a former government education adviser, said: "I would give all state schools the status of legally independent corporations, able to charge fees, just like universities. This would abolish at one stroke the legal distinction between state and private education, the class divide which is unique to this country."

Speaking at a conference in London organised by Politeia, a right-wing think tank, he proposed that vouchers should be means tested "with higher income parents getting less and lower income parents more: that is an earmarked tax reduction for the former and a tax credit for the latter".

The value of the voucher would be set at the current cost of educating a state school pupil. However, Lord Skidelsky envisaged that many pupils' fees would be paid by charities, businesses and schools themselves. "We ought to think of education as a good produced in response to market demand. There are no characteristics of education which require it to be produced by the state."

The role of government would be limited to fixing the years of compulsory school age, drawing up health and safety rules, licensing exam boards, providing statistics on tests and establishing local education information offices.

Lord Skidelsky, a professor of education at Warwick University, said he had every confidence that vouchers would not only give parents more control over school choices but would also raise standards.

Chris Woodhead, the Chief Inspector of Schools, told the conference that caution was needed over the introduction of vouchers. "We should not be driven down the voucher road by despair about the failure of the present educational reforms to work. They are making a considerable difference for the better already."

Nigel de Gruchy, general secretary of the National Association of Schoolmasters' Union of Women Teachers, said the country should be concentrating on what happened in the classroom and not on the structure of schooling.

Nursery vouchers for the parents of all four-year-olds will be available from next April but ministers have said they have no plans to introduce vouchers for pupils of compulsory school age.

### DAILY POEM

#### Who Goes There?

By Fergus Allen

Painted with clots of ochre, black and pipeclay,  
The face on my shield is meant to confuse -  
The brambly eyebrows, waterfall moustache  
And the eyes, dry but with diamond highlights,  
Seem to mesmerize and accuse.

Behind it (the Romans called it a scutum)  
I stand with pole-axe and misericorde,  
Narrow blade ready for the coup de grace,  
At least in theory. On the qui vive, of course,  
But far less likely to be stabbed than bored.

What I can see of your shield enchants me  
When I peep out to check on no-man's land -  
The full-length image, almost three-dimensional,  
The ooze curve of your mulberry lip,  
The kiss-curl, the language of the hand.

Congratulations on hiding the hatcher  
Deep in the folds of your fitchus, not revealed  
Before the body search: in this unlike  
Your dog or talbot or whatever you call  
That thing with fangs, which does not bear a shield.

Fergus Allen, whose second collection - of which this is the title poem - was published yesterday by Faber, came late to poetry. He was born in 1921 in London and passed much of his career in the civil service, moving to the Cabinet Office in 1963, and subsequently becoming First Civil Service Commissioner. His first collection, *The Brown Parrots of Providence*, was published to glowing reviews two years ago. Anthony Thwaite commented on poems of such "dash and vigour and sense of action I could hardly believe this was a first collection."

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<b>Sainsbury's Fresh</b> Deep & Crispy Vegetarian Pizza 400g £2.79 £1.79 <b>SAVE £1</b>	<b>Sainsbury's</b> Houmous (deli counter) 44p 34p per 100g <b>SAVE 10p per 100g</b>		<b>Sainsbury's</b> Vegetarian Mature Cheddar £5.99 £4.99 per kg <b>SAVE £1 per kg</b>
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# Hard times for doves of Israel

PATRICK COCKBURN  
Jerusalem

A dove is at the centre of a furious row between the Israeli Labour party, the right-wing Likud opposition and animal rights groups. It started when Likud produced a television commercial for the election in 10 days' time. It shows a runner holding aloft the blue and white Israeli flag out of whose folds a live dove, symbolising peace, emerges. The message to Israeli voters is that for a patriotic peace they should vote Likud.

The dove and the flag-waving man were originally filmed separately. Unfortunately for Likud an Israeli television channel got hold of an unedited tape of the dove at the weekend. This shows that it is attached to its perch by an almost invisible string knotted to one of its legs. Far from swooping gracefully through the skies, the poor bird is brought up short by its cord after a flight of a few feet and flutters frantically to remain in the air.

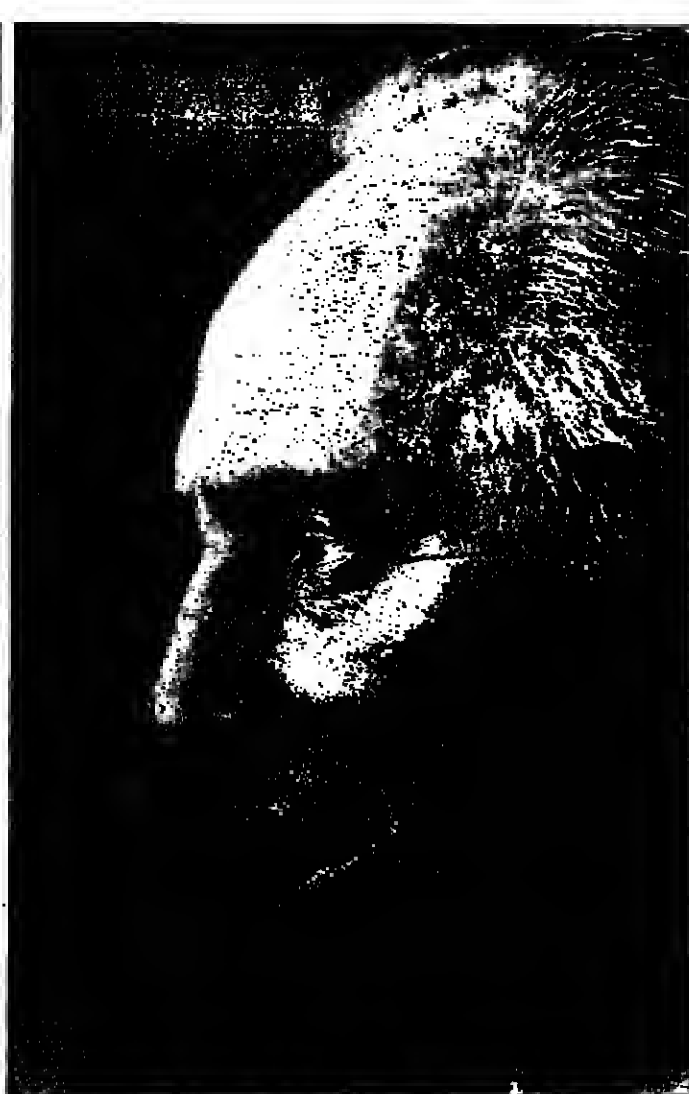
Likud is now being denounced for cruelty by animal rights groups. Worse, from the party's point of view, the film of the tethered dove of peace is now being used by Labour in its television commercials. Their point is that under Likud, whatever its pretensions, peace talks with the Palestinians and other Arabs will go nowhere. The film interrupts the frantic attempts of the dove of peace to stay aloft with the faces of senior Likud leaders such as General Ariel Sharon and General Rafael Eitan, the leaders of the Israeli invasion of Lebanon in 1982 which killed at least 12,000 people.

Many Israelis already believe the election of Binyamin Netanyahu, the Likud leader, on 29 May will effectively end the Oslo peace accords with the Palestinians, even if they are not formally cancelled. General Sharon, expressing doubts that "the Arabs want peace at all", last week spelled out his party's interpretation of Oslo, which is so narrow that the accords would bring no benefits to Palestinians. He adds that a settlement with Syria will be postponed until after the departure of Syrian President Hafez al-Assad.

It is surprising, given that the elections next week revolve around the issues of peace and war, that most Israelis agree they are the most boring since the foundation of the state.



Cool campaign: Binyamin Netanyahu (left) tones down past demagoguery while Shimon Peres plays the elder statesman



Photographs: AP

Debate is muted and the turnout at party rallies small. This may be partly explained by emotional exhaustion after the dramas of the last six months, which have seen the assassination of Yitzhak Rabin, the prime minister, suicide bombs in the heart of Israeli cities, and a savage little war in Lebanon.

But the election is boring mainly because Shimon Peres, the Prime Minister, and Mr Netanyahu want it that way. Both are vulnerable. Mr Netanyahu was almost destroyed politically by the murder of Mr Rabin last November. In the months before the assassination he whipped up crowds of far-right supporters with denunciations of the government's betrayal of Israel. The last thing Likud wants is overenthusiastic rallies which remind voters of Mr

Netanyahu's demagoguery and its consequences last year.

For different reasons Labour also wants a cool campaign. It needs to show the 72-year-old Mr Peres as an elder statesman, contrasting his long experience with Mr Netanyahu who is only 46 and has never run anything. This is certainly the way Mr Peres sees himself. At moments he appears too wrapped up in his vision of himself as a world leader to fight an effective campaign. There are signs of regal arrogance such as his appointment of his Russian teacher to be Labour's only Russian immigrant candidate, though Russian Jews are more than 10 per cent of the electorate.

Neither candidate for the prime minister's office is much liked. Mr Peres was once described by Yitzhak Rabin as an "inveterate schemer". Six

months in office has not changed his reputation for shiftness. By way of illustration, Nahum Barnea, an Israeli columnist, describes how his barber in Jerusalem praised Mr Peres to the skies as a statesman and personal friend. Seeing that Mr Barnea did not believe him the barber proudly took a framed picture of Mr Peres out of a drawer, which is signed: "With affection, Shimon Peres." "Why don't you hang it on the wall?" asks Mr Barnea. His barber throws up his hands in amazed contempt and says: "Do you think I am crazy enough to lose all my clients?"

Fortunately for Mr Peres, Mr Netanyahu may be detested by even more voters. Labour supporters regard his promise of peace for Israel without territorial compromise as grossly irresponsible. They remember

Leah Rabin almost refusing to shake hands with him at her husband's funeral, saying "It's too late" to regret his previous behaviour. Mr Netanyahu is much disliked and privately maligned by his own senior lieutenants. Ariel Sharon and Rafael Eitan normally refuse even to stand up when he joins them on a platform.

Yet there is something unstoppable about Mr Netanyahu. In a rich, hectoring harangue he minimises setbacks and endlessly claims that his victory is inevitable. In the last two months he has deftly united the right-wing parties behind his candidacy. He will get all the ultra-orthodox vote even though a "hot" video was once circulated allegedly proving adultery on his part. In his tactical adroitness, ability to use the media and unrelenting aggres-

siveness he resembles Newt Gingrich, the US Republican Speaker of the House.

It may be that Mr Peres will persuade Israeli voters that the dove of peace stands a better chance of prolonged flight with him in the prime minister's office. Mr Netanyahu does not accept the Oslo accord though he says he would not reoccupy Gaza and the Palestinian towns of the West Bank.

In practice, however, it may be a poor outlook for doves in Israel this year regardless of whether Mr Peres or Mr Netanyahu wins. The polls show that the Knesset (parliament) as a whole will shift to the right compared with the 1992 election. There will simply not be enough votes in parliament to support terms the Palestinians could accept and the Oslo accords will begin to unravel.

## Club queen Regine in mid-air death threat fracas

IAN PHILLIPS  
Paris

When the French singer and nightclub owner, Regine, makes news it is usually because she has been rubbing shoulders with a few stars. Since the Sixties her clubs have been coveted by the international jetset, from Frank Sinatra and Maria Callas to the Kennedys and Onassis, but now the "queen of the Parisian night" is making headlines for her involvement in alleged murder threats.

Last week her son, Lionel Rotage, was accused in a Boston court of "assault and intimidation against the members of the crew and passengers" on an American Airlines flight from Paris to Miami on 17 April. Regine, 66, was travelling with her son, husband and seven-year-old granddaughter, Daphné.

The trouble began when Mr Rotage, a music journalist and producer, lit up in the aisles. Although it was a smoking flight, it is strictly forbidden to smoke while standing up. After being ordered to put out his cigarette by a steward, Rotage allegedly said: "I don't give a damn about the law. I'm going to stay here and smoke even if you don't like it." When the steward threatened to report him to the flight commander he is said to have replied: "If you do that I'll shoot you."

When Regine joined the fray she was accused of shouting obscenities at the flight commander, telling him that: "The last time anyone spoke to me in that kind of voice was when the Germans occupied Paris."

Four hours later they were in FBI handcuffs after the pilot had made an emergency landing in Boston because he felt their threats to the crew were endangering flight security.

"We had to undergo a body search, fingerprinting and were attached to a radiator with handcuffs," said Mr Rotage, 47, yesterday at a press conference at the Ledoyen restaurant

on the Champs-Élysées. "It was like something out of a film."

Regine owned Ledoyen until 1991 and opened her first club in Paris in 1960. She once had 19 clubs around the world and claims to have taught the Rothschild family how to do the waltz and the Duke of Windsor how to surf. She has also enjoyed a career as a popular singer.

She accuses the airline of blowing the affair out of proportion and yesterday said that both she and her granddaughter will be taking legal action against the airline for ill treatment as well as moral and commercial damages. She also



Regine: Son faces US court over airline incident

accuses the crew of anti-Semitic remarks. Although all charges against Regine were dropped, Mr Rotage still risks a four-month suspended sentence and a \$250 (£160) fine. He has pleaded not guilty.

"We were made out to be hijackers," said a nervy-looking Regine. "Reports said that all four of us had threatened the life of the flight commander. That must mean that my granddaughter did so with a crayon, my husband with his crosswords, me with my toothpick and my son with a pen."

Whatever the outcome, Regine is certain about one thing: "I won't be travelling on American Airlines in the future."

## Quebec wrangle prompts a new Jewish exodus

Montreal - Festooned with paintings of tulips and cut-outs of planes with El-Al on their sides, the classroom beneath a suburban Montreal synagogue is usually reserved for kindergarten children.

This evening, though, the pupils are 30 Russian Jews who have just arrived in the city in search of new lives.

Mostly in their sixties, the husbands and wives are listening to Rabbi Israel Sirota, who, in Russian, is teaching them the rudiments of Jewish history and summarising the main world news events of the past week: prisoner exchanges in Bosnia, fighting in southern Lebanon. And he tries to answer their questions, some religious in nature, some day-to-day practical.

"These people come to Canada with no religious identity," said Rabbi Sirota, who landed here from Tashkent in 1973. "They have to learn Jewish history." Among the things the rabbi finds himself arranging for the new arrivals are circumcision (voluntary) for men, even many of the older ones. "Ninety per cent are not circumcised when they get here," he said.

As many as 10,000 Jews from the former Soviet Union have settled in Montreal in the past five years, said Rabbi Sirota. To many, the city, with its long and vibrant Jewish heritage, must have seemed a natural choice. A magnet at the beginning of this century for Jews from Eastern Europe (Ashkenazim), the city used to be called the "Vilna of North America", after Vilnius, in Lithuania, once a famed seat of Jewish learning.

The Jewish face of Montreal is still well in evidence. Famous Montreal Jews include Leonard Cohen, the songwriter, the poet AM Klein and the author Mordecai Richler, who set many of his novels, notably *The Apprenticeship of Duddy Kravitz*, in the bagel bakeries and smoked-meat restaurants of The Main, a boulevard that bisects Montreal south to north and which, until migration to the suburbs in the 1950s, was the Jewish heart of the city.



You can still jostle with the mostly Jewish crowd at Schwartz's for a stool at the counter and a juicy smoked-meat sandwich.

But the kindergarten Russians have lost pace with history. As recruits to Montreal Jewry they are, in fact, almost oddities. The net flow of Jews, especially of the young and educated, is no longer into Montreal but out of it, to Toronto, Vancouver and cities in the United States. The reason is the interminable battle over Quebec's future in Canada.

The process began in 1976, when the Parti Québécois first swept to power and introduced laws to proclaim French its official language. The mostly Anglophone Jewish community, which numbered about 120,000, underwent a sudden exodus. About one in six left.

Since the mid-Eighties, the population has stabilised somewhat at about 101,000, but the overall number does not reflect new influxes, first of French-speaking Sephardic Jews from North Africa and, more recently, of the Russians.

Now, a new exodus may be under way. In October, the forces for secession lost a province-wide referendum but only by a razor-thin 1 per cent. The current Parti Québécois government, headed by the charismatic Lucien Bouchard, appears intent on staging

David Usborne sees evidence that the sovereignty issue is blighting an old way of life

another referendum, although by law it must wait until it is itself re-elected to govern the province. Elections are set for 1998.

The atmosphere of uncertainty, meanwhile, is overwhelming. It is felt by all English-speakers among them many Jews. "We are at a crossroads," said Lawrence Berg-



Richler: 'The young come home only for funerals'

man, one of two Jewish members of the provincial parliament in Quebec City. "There is tremendous debate right now. People are feeling discouraged and are talking openly about wanting to leave."

Two incidents have heightened a sense of siege among many Jews in Montreal. On referendum night, when it finally became clear that the federal-

ists had held on, Mr Bouchard's curmudgeonly predecessor, Jacques Parizeau, vowed "revenge" on the opponents of secession and blamed the sovereignist defeat on what he ominously called "money and the ethnic vote". And then, last month, there was the matzoh flap, otherwise known as Matzohgate.

Richler, who has homes here and in London, said that what happened in Montreal just before Passover last month was so insane as to be "hysterical".

Officials from the province's Office de la Langue Française discovered that the kosher labelling on imports from New York of the unleavened bread, matzoh, used by Jews during Passover, was printed in English, instead of French. They ordered them to be withdrawn from sale. Some Jewish families were deprived of matzoh for the season, and the community felt victimised.

"That and the Parizeau business has torn it for a lot of people," suggested Richler, whose five children have all abandoned the city. "It is a terrible situation. The young only come to Montreal for funerals. The Jewish community has diminished by a larger number than anyone is willing to admit."

Richler said that it is the professional and wealthy Jews who will abandon Quebec and that the economy, as well as the many Jewish institutions, will suffer.

"A lot of affluent members of the community are saying: 'Screw them - if they don't want us any more, we are not going to contribute any more.'"

If the Jews are sitting on their bags, one irony is inescapable: by fleeing, they may contribute to a nationalist victory next time round. (And Rabbi Sirota's flock will hardly be enough to turn the trend around.)

"If we leave, it would just play into the hands of the sovereignists," said Mr Bergman.

They will have the sovereignist majority that they need.

Is it possible that is exactly what Mr Parizeau and the zealots of the French-language office had in mind?



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## international

Hong Kong handover: Business anger over 'Newsweek' attack

## Tycoons take battle with Patten to Major

STEPHEN VINES  
Hong Kong

The simmering battle between the leaders of Hong Kong's business community and Chris Patten, the Governor, moved a step closer to open warfare yesterday, when the business leaders took the unusual step of writing to John Major, the Prime Minister, to express their "profound disappointment" at remarks made by Mr Patten during his recent visit to the United States.

Mr Patten expressed disappointment over the Hong Kong tycoons' failure to stand up for the colony's institutions in the face of China's resumption of sovereignty next year.

Not since Governor John Pope Hennessy was virtually hounded out of the colony by business leaders in 1882 has there been such a rift between the Queen's representative and the tycoons who have traditionally wielded both business and political power. Back then the governor was despised for attempts to lessen discrimination against Hong Kong's majority Chinese population.

The letter, sent yesterday, is signed by the colony's seven most influential business organisations, collectively representing just about all the



Chris Patten: Criticised 'privileged' businessmen

most powerful businessmen in Hong Kong. For days they have been discussing how to respond to the Governor's remarks, which appeared in a *Newsweek* cover story entitled "Betraying Hong Kong".

The magazine quoted Mr Patten as saying: "Why is it that privileged people are prepared to sign up to those arrangements whose sole intention is to choke off the voice of those who, by every measure, represent the majority of public opinion?" Mr Patten added: "They

wouldn't be doing it if most of them didn't have foreign passports in their back pockets."

The business leaders say in their letter that "Mr Patten sees fit to criticise the very people who have helped make Hong Kong the success it is today. The attack on them and the reference to having foreign passports in their back pockets were both inappropriate and divisive".

The six-paragraph letter continues by saying: "Mr Patten, has, through his inappropriate and unjustified attacks on the business community, ended up doing Hong Kong a great disservice".

Although the Governor appears to have given up hope of meeting fences with the business community, his spokesman, Kerry McGlynn, last night issued a statement saying Mr Patten "has always been an admirer and an advocate of the great contribution the business community has made to Hong Kong's spectacular success".

However there was a sting in the tail, as Mr McGlynn said: "The community will no doubt note that while a number of businessmen have chosen to criticise the Governor on the basis of something that he has never said, they did not band together to write similar letters

of protest when threats were made to our human rights legislation, the independence of the judiciary, the political neutrality of the civil service and to our democratic institutions. There is still time for them to do so."

The row was not unexpected. Most business leaders are solidly lined up behind the incoming administration and have taken their cue from Peking, where Mr Patten is regarded as being on a par with some of China's other political demons.

Last night a government official described the businessmen's letter as "a release of pent-up frustration and anger at what they consider to be the way they have been side-lined, compared with the days when they called the shots here".

The business leaders are most upset by the Governor's suggestion of hypocrisy.

"In spite of this", they write, "the business community continues to stand steadfastly behind Hong Kong." And standing behind the businessmen are labour organisations. In the bizarre atmosphere which now prevails here, pro-Peking trade unionists, were mobilised to demonstrate against criticism of the business community when Mr Patten returned from the US.

## Lee offers to 'go in peace' to China

TERESA POOLE  
Peking

In a carefully pitched inauguration address, President Lee Teng-hui of Taiwan yesterday said he wanted to make a "journey of peace" to China, but he offered Peking no detailed measures to improve relations.

Mr Lee also told a cheering crowd at the stadium at Taoyuan, outside Taipei, that a continuing policy of "pragmatic diplomacy" would secure Taiwanese people "the respect and treatment they deserve in the international arena", an unwelcome signal to Peking that the democratically elected president will proceed with Taiwan's push for greater global status.

In Taipei, the stock market tumbled 4 per cent because of concern at mainland leaders' reaction. The business sector was disappointed that Mr Lee had not included any specific mention of moves towards direct air, shipping, and communications links with the mainland. After elections in March, which Mr Lee won by a landslide, there had been some speculation that movement on the "three links" might be a concession by Taipei.

The run-up to Taiwan's first democratic presidential elections were dominated by weeks of large-scale military manoeuvres by the People's Liberation Army (PLA) in and near the Taiwan Strait as Peking attempted to frighten voters away from supporting Mr Lee. Peking's fury against Mr Lee was sparked almost a year ago when he secured a visa to visit the United States, prompting a tirade from China accusing him of moving towards Taiwan independence.

Yesterday's speech trod a careful path between appearing to offer an olive branch while not actually offering anything likely to placate Peking. "I would like to embark upon a journey of peace to mainland China taking with me the consensus and will of the 21.3 million [Taiwanese] people," Mr Lee said. He was willing to meet with the top leadership of the Chinese Communists "for a direct exchange of views in order to open up a new era of communication and co-operation between the two sides". Taiwan independence was "totally unnecessary or impossible", he added.

The idea of a top-level meeting between Mr Lee and his Chinese counterpart, Jiang Zemin, has been floated before, but has floundered on the question of the capacity in which Mr Lee would be recognised. He would certainly not be acceptable as President of Taiwan, or in any Republic of China governmental role, while Mr Lee himself would not tolerate depiction as the mere head of a Chinese province. It is also unlikely that any such meeting would be considered until the two leaders had something concrete to discuss. The existing process of meetings, conducted only by supposedly non-governmental bodies, were halted by Peking last year on Mr Lee's US visa success.

By last night there had still been no official Chinese response to Mr Lee's speech. Peking will probably demand "concrete actions" from Mr Lee before there can be any repairs done to relations. Hailing his "pragmatic diplomacy" is a prerequisite for any positive response, something which he made clear yesterday he had no intention of doing. There are no imminent plans, however, for any high-profile foreign trips, because Washington has lent heavily to him to avoid actions which will again enrage Peking.

Several of Mr Lee's comments may annoy China's leaders. His slogan "Manage the great Taiwan, nurture a new Chinese culture", laid claim to the role as a custodian of Chinese culture. "Equipped with a much higher level of education and development than in other parts of China, Taiwan is set gradually to exercise its leadership role in cultural development and take upon itself the responsibility for nurturing a new Chinese culture." Such a culture would include political democracy, he added.



The inauguration of Mr Lee and vice-president Lien Chan yesterday Photograph:AFP

## ALMATY DAYS

## Turks bearing Coca Cola put fermented mare's milk in the shade

We stopped counting at \$10bn (£6.6bn). That, by the reckoning of the eminent former governor of the Turkish Central Bank sitting beside me, was the combined annual turnover of heads of Turkish companies in just the front half of our aircraft winging over the Caspian Sea to Central Asia.

Across the aisle was a grand marble quarry from Afyon. A white-haired textile magnate from Denizli was with us for the ride. And by the window, one of more than 100 executives was brushing up on a book about the power of the Turkish mafia.

And, of course, there were our hosts from the Anadolu Group, who were betting \$80m on their future growth as brewers and bottlers of soft drinks in a swath of formerly Soviet-dominated territory from the Balkans to the border of China.

Times have certainly changed since I first travelled with Turkish businessmen to their ancestral homelands in the Caucasus and Central Asia. Back then, in 1990, I sat next to a shifty-looking jeweller from the grand bazaar. My main contact had been a "Grey Wolf" nationalist militant out to stir up a pro-Turkish revolution.

The Turkish nationalist revolution lasted a year in one country, Azerbaijan, and was crushed in the bud elsewhere. But, disproving premature reports of victory by rivals from Iran and elsewhere, private Turkish businessmen have stayed the course. They are now older and wiser, leaving to Russia what is Russia's and sticking to business.

"We are not trying to replace anybody. We are not in politics. In fact, my main difficulty has been persuading people that not all Turks were crooks," said the chief executive of Anadolu Group's beverage division.

At Almaty airport, as the industrialists were whisked away a smiling official disappeared with the \$70 a Briton must pay. I started to wait, kicking my heels with a Japanese executive from Honda motorcycles scouting the Turkish route to Central Asia.

Then, preceded by a rank odour, perhaps not unlike that of a yak after a long winter tied up inside a tent, came the passengers off the next flight, looking for all the world like camp followers of Genghis Khan.

I greeted one of them, a friendly old crome with a deep brown face, leathery skin and the high cheekbones of the steppe. To our mutual astonishment, primitive Turkish proved a joint language, enough to discover that she was an ethnic Kazakh from Mongolia migrating to the new Kazakh state.

The lady was making a wise decision, if the bankers I later met in the pleasantly green, ordered city of Almaty are to be believed. According to them, Central Asia has made its peace with its powerful neighbours Russia, China and Iran, and is now turning an important economic corner.

In Kazakhstan and its close neighbour, the Kyrgyz Republic, currencies have been stable for a year and inflation is heading below an annual 30 per cent. State businesses have become privatised fast, even if management is still in the hands of former bosses. People seem to have a spring in their step.

Businessmen like the way the mostly Communist-era leaders have co-ordinated wealth and decision-making power into their own hands, even though parliaments have been sidelined.

These leaders will decide the fate of Central Asia's dominant oil and mining business, which involves multinational giants, huge amounts of money and long lead times. But at the bottom end of the market, the Turks are highly active even as bakers, kebab-shop owners or fancy restaurateurs, and their total investment may be \$1bn.

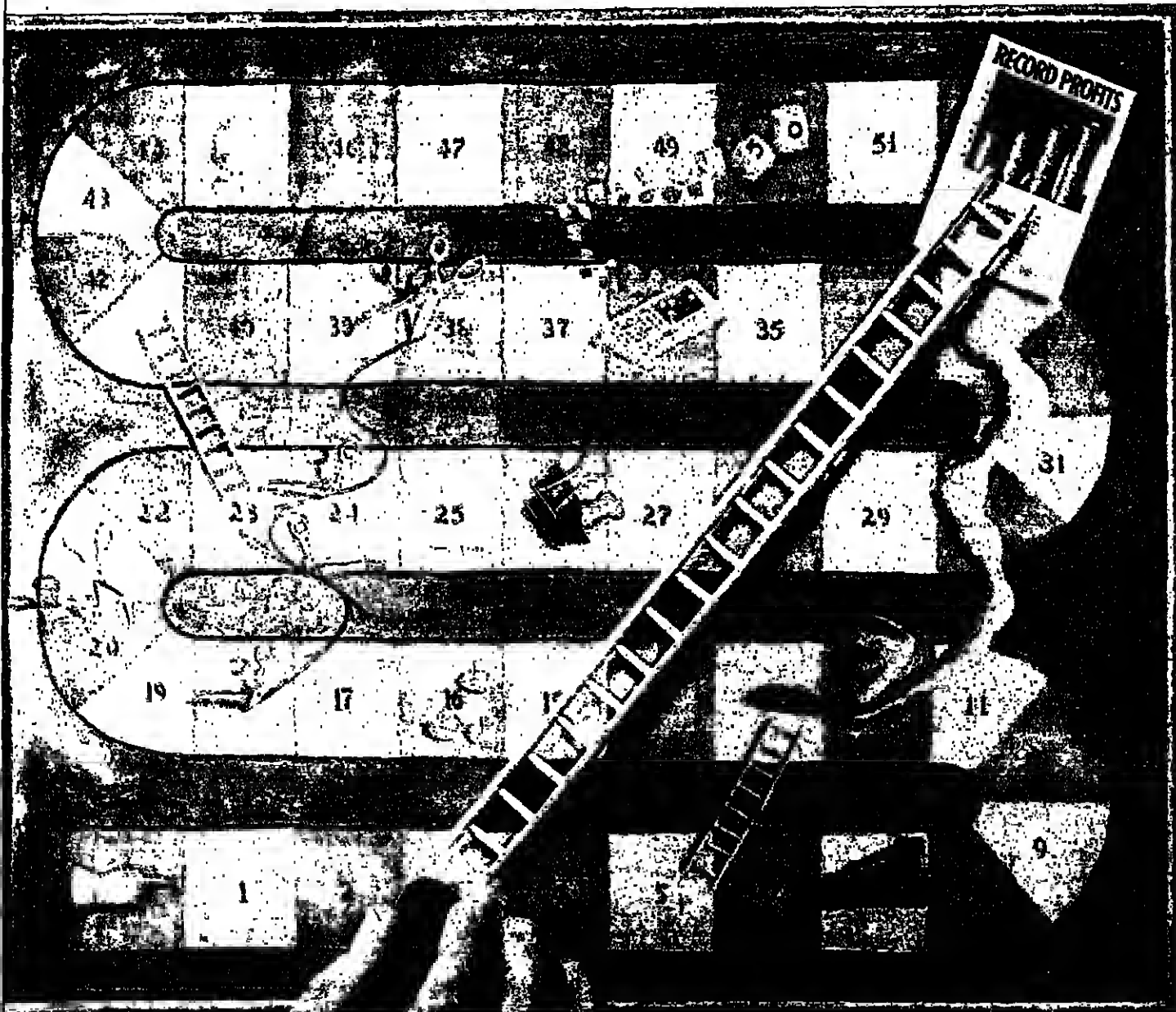
Much of the new hotel and construction work is being done by Turkish companies. Truck, bus and textile factories are on the way, often in association with Western partners. Banking and air links are often best through Istanbul, and Turkish subsidiaries of American banks have played key roles in big loan syndications and privatisations.

About 100 Turkish schools have opened up for business in the region, most of them privately owned, and often financed by people with moderate-to-strong Islamic views.

A Kyrgyz student from one of the few Turkish state-aided schools led our tour bus in Bishkek, capital of the Kyrgyz Republic. She must have been puzzled by questions from the textile magnate as to whether the Kyrgyz were Muslims, whether they had built their mosques, and whether they still drank "kımız", the fermented mare's milk that is an ancient Turkic drink of the steppes.

She knew we were there to celebrate bringing locally bottled Coca-Cola to the Kyrgyz people. It was being drunk like wine, and at a similar price, in the cafes of Bishkek. Only in the parks could I find traditional drinks of fermented wheat and barley. But the old-timers still had their revenge. It was served in plastic cups stamped "Pepsi".

Hugh Pope



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# German unions limber up for summer strikes

IMRE KARACS  
Bonn

Thousands of commuters were stranded across Germany yesterday morning as public employees walked out at the start of what the unions hope will be their summer of discontent.

In 145 towns and cities of the western Land of North Rhine-Westphalia, rush-hour traffic was gridlocked along all main roads. Postal workers struck in other parts of the country, Berlin's kindergarten teachers deliberately turned up late for work and refuse collectors in southern Germany gave their morning round a miss. Less noticeable was the shut-down of town halls, crippled by militant bureaucrats.

More disruption is on the way as the Public Services and Transport Union (OTV) prepares to mobilise its 1.8 million members in support of a 4.5-per-cent pay increase. The 14 other member organisations of the German Trade Union Federation (DGB) are limbering up for sympathy action, starting with a rally in Bonn today.

It is a test of strength the government cannot afford to lose. Chancellor Helmut Kohl's austerity programme aims to lop DM50bn (£21.7bn) off the budget, primarily by freezing salaries in the public sector and cutting social spending.

The OTV is also aggrieved by government plans to increase its members' hours and reduce the Christmas bonus, which usually amounts to one month's pay.

The other unions accuse the government of trying to roll

back the welfare state and of reneging on an agreement to help create two million jobs by 2000. In an effort to prepare Germany for European Monetary Union, the Chancellor is cutting sick pay and unemployment benefit, raising the pension age and abolishing laws protecting workers at small companies.

Union resistance poses the greatest threat to his policies. In 1992, the OTV paralysed the country with an 11-day strike by bringing public transport to a halt and allowing rubbish to pile up on the streets.

The spectre of such disruption looms again, as OTV leaders prepare for a fourth round of pay talks tomorrow with government representatives. The union is still in a conciliatory mood, as the OTV's leader, Herbert Mai, has indicated. "We do not want a strike but want results," Mr Mai said. "We demand a 4.5-per-cent wage increase but at the end of negotiations there is always a compromise. But there is little sign of that being reciprocated by the government side."

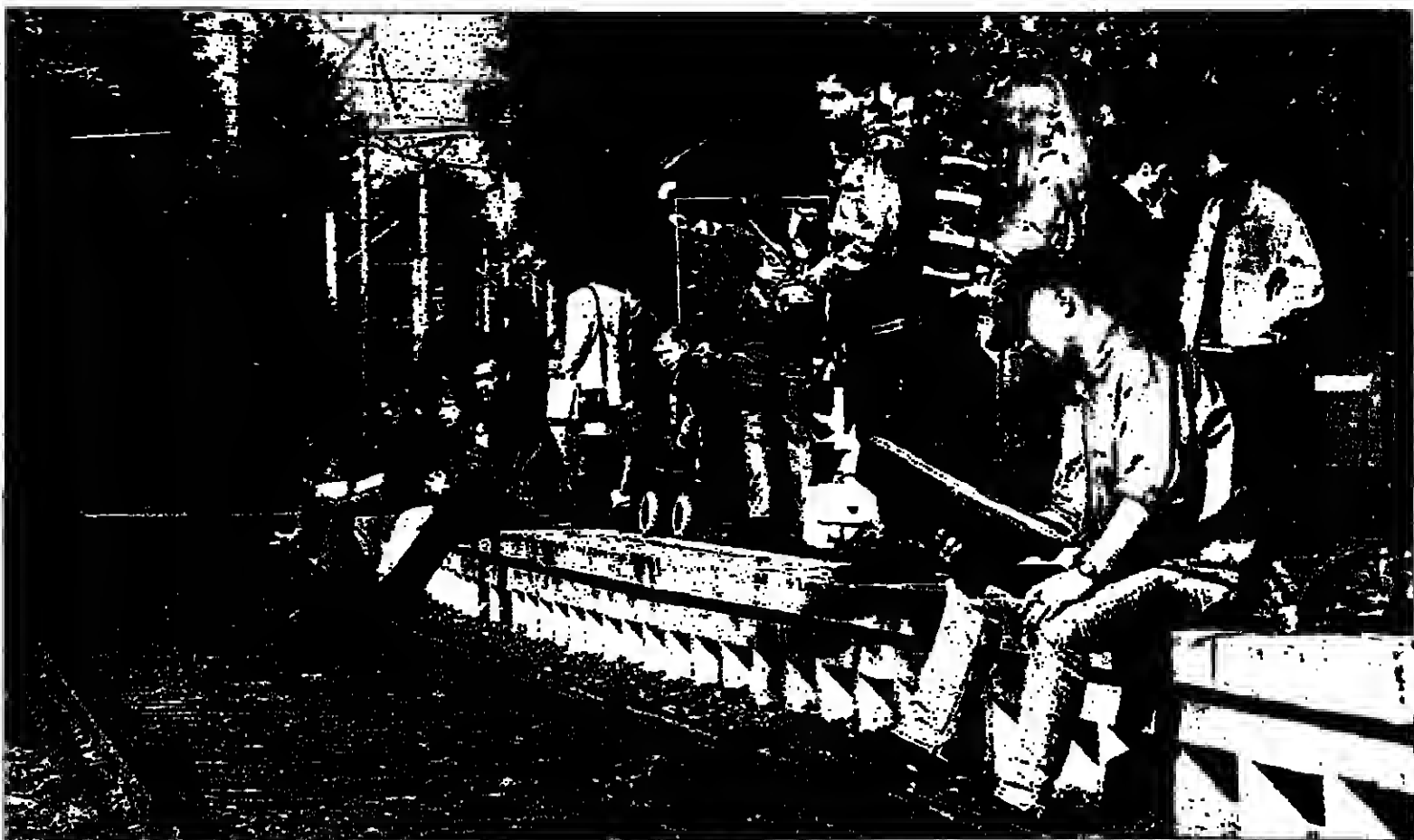
Wolfgang Schäuble, parliamentary leader of the governing Christian Democrats, said: "We will push this programme through parliament together."

For once, his fighting words were directed out at his adversaries in the unions but to the enemy within. The government's combative posture has sown discord even among Christian Democrat MPs, some of whom are threatening to vote against the programme.

But the Chancellor's room for compromise is shrinking as fast

as his government's deficit scales uncharted heights. The latest figures suggest even the DM50bn cut will not be enough to bring the shortfall below the 3 per cent of GDP allowed in the Maastricht Treaty. Poor economic performance is expected to deprive the state coffers of DM80bn in tax revenue next year.

Under these circumstances, anything more than a pay freeze for public employees would be regarded as a humiliating government climb-down, and would fatally undermine Germany's credibility in Europe. A little union trouble at home seems a small price to pay for forestalling the collapse of monetary union.



Buffer zone: Commuters work on their tans while waiting for a train yesterday, when unions brought large swathes of Germany to a halt

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### SIGNIFICANT SHORTS

**London** — Britain yesterday backed out three Sudanese diplomats, to comply with UN sanctions against Khartoum for allegedly sponsoring terrorism. The United States took similar action last week but no other countries have followed the UN instructions so far. The Foreign Office said the three Sudanese officials, including one of the highest ranking members of the Sudanese diplomatic corps, must leave Britain within 48 hours. Sudanese diplomats are banned from going to London without permission.

The US and Britain have been regularly accused by Khartoum's refusal to extradite three people suspected of attempting to assassinate the Egyptian President, Hosni Mubarak, in Aden, Yemen, last year. Germany has stopped issuing visas to Sudanese officials, the rest of the EU member states are expected to announce their response shortly. *John Leighton*

**Peking** — Public security officers may arrest their usual with the arrival of the English football team and at least 200 British football fans for Thursday night's "friendly" international game at the Workers' Stadium.

Wei Shaojun, spokesman for the Chinese Football Association, yesterday said this was the largest group of foreign fans ever following a football team to China. The Peking authorities' tolerance for the Chinese public order, rather lower than England fans will witness.

Drunk people are never seen on Peking's streets and any inclination to burst in riotous song will be immediately frowned upon. Mr Wei said China was not worried. "There will not be policemen around them when they go out to the stadium," he said. *Teresa Poole*

**Jerusalem** — Palestinian police have arrested the man who criticised the government of Yasser Arafat, and are holding him without charge.

Dr Yassir Sarraj, head of the Palestinian Independent Commission for Citizens Rights, was said to be "under investigation" for "violating the law". His arrest is expected to be an interview given to the New York Times, in which he criticised human rights abuses in occupied territories.

There have been numerous reports of human rights abuses inflicted on militants arrested by Palestinian police. Mr Sarraj has not been seen since Saturday. *Peter Hain*

**Washington** — President Bill Clinton yesterday announced an unconditional embargo against China. Favourable trading status for China, which has been a looming \$3-billion of trade sanctions against Peking, as well as a host of other tensions between the two countries.

Describing the embargo as a "vote for America's interests and a referendum on all China's policies", Mr Clinton declared that to deny MFN would further isolate Peking and make the entire east Asian region more unstable.

Although many Democrats will fight the move, the backing of outgoing Senate Majority Leader Bob Dole, Republican candidate for the presidency, guarantees its approval by Congress. *Rupert Cross*

**Dhaka** — The president of Bangladesh fired his army chief for rebellious activity and for disobeying an order to dismiss two military commanders.

Soon after the announcement of the dismissal, army tanks took up positions in front of the presidential palace and state broadcasting headquarters.

It was not immediately known if the soldiers were loyal to the president or to the sacked army chief. *AP*

**London** — The British government has announced that it will not support a UN embargo against Croatia, in violation of the UN embargo, because it enabled the Bosnian Government to survive. The British government's position is in line with the UN Secretary-General's position. Peter Galbraith explained the position to the newspaper *Slobodna Društvo*. "We think it is important for the Bosnian people to be enabled to defend themselves as they wish, and not to be prevented from doing so by a UN embargo." *AP*



# 12 obituaries / gazette

## Jon Pertwee

It is hard to recall a time when Jon Pertwee was not on the airwaves, doing funny voices or pulling silly faces. He made his name on radio in *The Navy Lark*, the BBC's longest-running radio comedy series, then achieved a successful transition to television with *Dr Who* and, later, *Worzel Gummidge*.

His flexible features and extraordinary vocal range made him much sought-after for comedy roles on stage, such as *Lycus* in *A Funny Thing Happened on the Way to the Forum* (1963), and the lead in *There's a Girl in My Soup* (1966), both in London and New York, while the more dramatic parts he covered proved more elusive. He was even denied the chance to do Restoration comedy to which he would have been ideally suited.

A descendant of an aristocratic French family, Pertwee's father, Lailevaud, Pertwee was the son of Roland Pertwee, a respected actor and writer, who wrote several successful plays and film scripts in the 1930s. Jon's brother Michael went on to become a stage and television writer. Their parents separated soon after Jon was born, and he and Michael were brought up by their paternal grandmother, until his father remarried.

A teenage rebel, Pertwee was expelled from his prep school and, later, Sherborne. But his childhood in Devon, though far from happy, proved useful when he was creating the television persona of Worzel Gummidge. In an interview once, he said he felt more empathy with the quick-tempered and emotional scarecrow than he ever did with Dr Who.

Yet, according to friends, his flamboyant, actorly Dr Who was another variation of the prismatic Pertwee personality. He had a Who-mobility specially built while playing the role. He had a particular interest in things mechanical. In the 1950s his white Chevrolet had an electric hood, and a speedboat on tow, for water-skiing. In the evenings he might be seen in a velvet cape and a fedora.

After RADA, from which he was also thrown out, allegedly for writing rude remarks on the lavatory walls (besides, the principal considered him talented), he joined a travelling theatre company, and then did the usual round of repertory theatres, taking anything he could get and, by his own admission, overacting at every opportunity.

He was spurred on by an encounter with Charles Laughton, who said that dismissal from RADA was the only proper way for an actor to start his career. While the father he revered did not try to prevent him from becoming an actor, neither did he show any real interest, so Pertwee looked to friends and colleagues for encouragement.

What determined the course of his career was the outbreak of the Second World War in 1939 and the six years he spent in the Royal Navy, first serving on the doomed HMS Hood, then reporting to the Admiralty on standards of naval broadcasting. During this period he met the late Eric Barker, then a leading name in radio, and went on to work with him in two series, *Waterlogged Spa* and *Up the Pole*.

But it was *The Navy Lark* in 1958 that established Pertwee as a versatile comedy actor. With his wealth of naval experience, he also became a sounding board for the scriptwriters. The original crew of HMS *Troubridge* included Dennis Price, Leslie Phillips, Michael Bates, Ronnie Barker, Tenniel Evans, Richard Caldicot and Heather Chasen. In the 18 years it stayed afloat, *The Navy Lark* notched up 240 recordings.

Pertwee's gallery of nautical outbursts included Commander Wetherby, the stammerer from Naval Intelligence, who never quite managed to finish a sentence, Vice-Admiral "Burbly" Burwasser, incapable of keeping his butterfly mind on the job, and the self-styled master criminal, known simply as the Master, camp and nasal, whom Pertwee based on his father's impression of Sir Beer-bohm Tree. It was a very different Jon Pertwee who turned up as Dr Who in 1970, succeeding Patrick Troughton. Unlike Troughton's dour, black-clad time-traveller, here was a posturing Edwardian dandy with cape and cane, an actor's voice, and a great mane of wavy white hair.

In the late 1970s Pertwee reinvented himself yet again to play Worzel Gummidge, the irascible scarecrow, in a very successful adaptation of Barbara Todd's books by Keith Waterhouse and Willis Hall. In both incarnations, Dr Who and Worzel, Pertwee was in constant demand for personal appearances, and charity work. After Joan Collins summoned him to do his Worzel voice for her coma-stricken daughter, there were many requests from the parents of sick children.

In recent years, he toured the UK with a retrospective one-man show, *Who Is Jon Pertwee?*, looking back lightly on his long career in broadcasting.

Despite a reputation for being quick-tempered, egocentric and generally "difficult", Pertwee always preferred working as part of a team, or the solo star-turn. For all his raucous flamboyance and outward self-assurance, at heart he was as insecure and thin-skinned as the next actor.

Nick Smurthwaite

Jon Pertwee's interpretation of the leading role in BBC Television's *Dr Who* as a dashing man of action brought the series to new heights of popularity in the early Seventies, writes John Freeman. He was the third actor to play the role of an eccentric time-and-space-travelling alien, and his 24 stories still have an enduring appeal world-wide to this day.

Hired to exaggerate the mildly humorous interpretation Patrick Troughton had given the character, Pertwee insisted he be allowed to play the role straight. Taking their cue from the success of James Bond films, the production team agreed with him, working more action and gadgets into the show. Recorded in colour for the first time, the series benefited from many intelligently written stories, an increasing use of location work and a wider range of deadly monsters, from the Autons - killer shop-window dummies - to ancient, intelligent reptiles and giant spiders.

The delightful introduction of the Doctor's very own Monty Python, played by the late Roger Delgado, was another key factor in the show's renewed appeal, after declining ratings threatened its cancellation at the end of the Sixties.

The Earthbound nature of many of this Doctor's adventures prompted Pertwee's off-

quoted recipe for *Dr Who's* lasting success - that nothing frightened an audience more than "a Yeti on your luv in Tooting Bec". One of his favourite stories was *The Dalek Invasion of Earth*, a thrilling six-parter set almost entirely in a quaint English village haunted by a millennia-old menace, which ends with the local church being blown to pieces - a model effect that worked so well that viewers at the time apparently jammed the BBC switchboard with complaints.

In addition to swapping his time-travelling Police Box for an Edwardian roadster, the Doctor was allied with the United Nations Intelligence Task Force, soldiers and weaponry providing a realistic background for this science-fiction series. The Unit "family" as it came to be called became firm favourites with the general public, aided no doubt by Pertwee's personal popularity in Fleet Street. The on-screen rapport between Pertwee and regular actors such as Nicholas Courtney and Katy Manning, the latter playing his

longest-serving companions, was boosted by Pertwee's enthusiasm for encouraging a sense of team spirit in his supporting cast.

The combination of a popular choice of actor in the lead role, strong casting and stories netted *Dr Who* an average of over 8 million viewers a week when Pertwee played the lead. With just a touch of the humour he was expected to give the role, Pertwee was ever the dashing Doctor, bringing an Edwardian elegance to the character. That he was such a success is evidenced by his enthusiastic reception at *Dr Who* conventions as far afield as Coventry, Indianapolis and Sydney, Australia. His period on *Dr Who* will always be much remembered and much loved by the show's many fans.

Jon Pertwee, actor, born London 7 July 1919; married 1954 Jean Marsh (marriage dissolved); 1960 Ingeborg Rønne (one son, one daughter); died Connecticut 20 May 1996.



Pertwee as Dr Who in 1974: a posturing Edwardian dandy with a great mane of wavy white hair

## Kumi Sugai

Kumi Sugai belonged to the first group of pioneering contemporary Japanese artists to adopt western styles of painting, and to practise them abroad, chiefly in Paris or New York. Though he was born and bred in Kobe, his parents were of Malay origin, belonging to a family of excellent musicians.

He studied art at the Osaka School of Fine Arts, where he became acquainted with western painting techniques through the teaching of Yoshihara Haruyoshi. At the same time he practised calligraphy and was fascinated by typography, both of which were to play an important part of his later work. But like so many Japanese writers and artists, he dropped out of school and his first job was with the Hankyu Railway Company (1937) where he was their commercial designer and a creator of advertising posters.

Sugai left for Paris in 1952, where he found Abstract Impressionism was the prevailing mode, the first of many movements he was to encounter and learn from, ranging from Pop and Op to Antiart, Kinetic Art to Minimalism. He began by adapting traditional Japanese woodblock techniques to his personal vision of a foreign culture. The forms were contemporary, but the colours had the simplicity and radiant purity of classic masters of the art that he had discovered in the East.

He also experimented with silk-screen printing and lithography. His first Paris production used graffiti with an unflinching sense of subtle colouring, evoking city scenes, men and animals at the limits of abstraction, with a certain minimalism of snags suggested by his friend Giacometti.

His work was immediately noticed by prominent art critics and gallery owners, including the writer Charles Estienne, who arranged for him to exhibit at the Salon d'Octobre in 1953.

Sugai's career then took off, with one-man shows in Paris and at the Palais des Beaux-Arts in Brussels in 1954, and a first exhibition of his gouaches at the St George's Gallery in London in 1955, during which he received an invitation to exhibit at the Pittsburgh International. By 1958, he had enough work for an impressive retrospective that established his reputation.

He went on to participate in all the important group exhibitions, notably at Sao Paulo Biennale, where he won the Best Foreign Artist Prize (the Kasai) in 1961, and the Venice Biennale. He had many one-man shows in New York, Ljubljana (where he won the First Prize in 1961) and at the Tokyo Biennale in the same year. In 1962, under the influ-

ence of Giacometti, he transformed some of his subjects into minimal sculptures, and illustrated two books of poetry by the art critic Jean-Claude Lambert, who wrote extensively about him, as did other essayists like Michel Ragon, Hubert Juin and Andre Pieyre de Mandiargues. He received extensive coverage in Thomas Messer's *Modern Art* (Guggenheim Foundation, 1962).

Like many of his contemporaries, Sugai also wrote essays, and published a book in French, *La Quête sans fin* (1970), presumably with the help of Lambert. The famous copperplate etcher, Ikeda Masuo (born 1934) had even won the Akutagawa Prize in 1977 for his novel *Egi Kai ni sasagu* ("Homage to the Aogean"). Print-makers were fascinated by the uses of banal everyday signs and symbols, and often included words in various languages in their compositions. One of Sugai's favourite literary devices was to feature large capitals in his works, and even to make a letter the sole subject of the picture. One of his many successful and amusing essays in this style was the famous "S" series, in which the letter took on a definite personality in various ravishing colours and symbols, often included words in various languages in their compositions.

One of his favourite literary devices was to feature large capitals in his works, and even to make a letter the sole subject of the picture. One of his many successful and amusing essays in this style was the famous "S" series, in which the letter took on a definite personality in various ravishing colours and symbols, often included words in various languages in their compositions.

In the 1960s, Sugai produced almost heraldic images of traffic signs and directional panels, in which repetition of purely abstracted simple forms evokes a hallucinating atmosphere, in dream-like colourings. His work became more and more abstract, geometrical but still suggesting a certain reality, like his well-known *Festival de Tokyo*, which I often admired in the Tokyo Museum of Modern Art, or his "Autoroute" series in which he replaced his emblematic signs and calligraphic icons with a refined and sensitive graphism embracing all kinds of textures and rainbow transparencies.

Though he remained active to the end of his life, Kumi Sugai fell out of favour during the 1970s and 1980s, along with the rest of the Ecole de Paris, when the centres of innovation became New York and the West Coast. But we can still enjoy his best work in all the great art museums of the world, and his death will certainly be followed by a reverential retrospective in his native city. He was a great universal abstractionist, of that rare kind whose "endless quest" for more rarefied forms of expression never lacked a warm human feeling.

James Kirilov

Kumi Sugai, painter and print-maker, born Kobe, Japan 13 March 1919; died Kobe 14 May 1996.



Pertwee as Worzel Gummidge (1981), the irascible scarecrow

## Simon Weinstock

Simon Weinstock was the third descendant of a great modern racing dynasty. His family owned several top-class racehorses, the greatest of which was undoubtedly Troy, the winner by a staggering seven lengths of the Derby at Epsom in 1979.

The colt, which ran in the colours of Weinstock's grandfather, the late Sir Michael Sobell, went on to win the Irish Derby at the Curragh, the King George VI and the Queen Elizabeth Diamond Stakes at Ascot, and the Benson & Hedges Gold Cup at York. Troy then sired Helen Street, who won the Irish Oaks for the Weinstocks in 1985.

Weinstock was the family's expert on breeding and form, who basically managed all their racing affairs. He was active alongside his father Lord Weinstock in the family's racing business for over 20 years. Father and son had equal shares in almost all the horses that passed through their hands.

Most of the horses the Weinstocks raced were bred by them at the 300-acre Ballynacoll Stud farm in County Meath in Ireland. The trainers

they patronised over the years included Major Dick Hern, the French trainer David Sadoc - who trained Lancastrian to win the 1983 Prix Ganay for them at Longchamp - and John Hammond, Lord Huntingdon, Peter Chapple-Hyam and Michael Stoute. This season the Weinstocks have 37 horses spread between eight different trainers in Britain and France.

The most notable horse to run in Simon Weinstock's own colours was Ela-Mana-Mou, whom he shrewdly purchased out of the trainer Guy Harwood's stable at the end of the 1979 season. Under the care of his new trainer Dick Hern, Ela-Mana-Mou went on to win the Eclipse Stakes at Sandown Park and the King George VI and the Queen Elizabeth Diamond Stakes in 1980.

The Weinstocks' best filly was Sun Princess, who won the Oaks by 12 lengths as a maiden (and later the best ever won) in 1983 and then went on to further classic success in the St Leger at Doncaster.

The one big race which always eluded Weinstock was the Prix de l'Arc de Triomphe at

Longchamp. The family came loose on a number of occasions: Homerie, Ela-Man-Mou and Sun Princess were all placed in the race, but their biggest disappointment came in 1979 when even Troy succumbed to the family's Arc hoodoo, running below his best in fifth third to Three Troikas.

More recently, the Weinstocks won last year's Irish 2,000 Guineas at the Curragh with Spectrum, who went on to win the Champion Stakes at Newmarket. The colt, who the Weinstocks own in partnership with Robert Sangster, remains in training this year. And they have a contender for this year's Derby in Nash House, who, prior to his disappointing fourth place in the Dante Stakes at York last week, had been disputing ante-post favouritism for the Epsom Classic.

Ian Davies

Simon Weinstock was a leading member of the small, tightly knit group that runs General Electric Co (GEC), the largest and most profitable of Britain's defence and heavy engineering businesses, writes Stephen Aris.

He was also the only and much-loved son of Lord Weinstock, the creator and driving force of the modern GEC.

It is no secret that it was Arnold Weinstock's dearest wish that Simon should succeed him as chief executive. As Weinstock *chief* is already several years past the official GEC retirement date, the succession should have been settled some time ago. But the City institutions were reluctant to give Simon their backing. And though the Weinstock family is the largest single private shareholder, the City's views could not be ignored - which is why, earlier this year, the palm went, not to Simon, but to George Simpson de Lucas.

With a figure as strong as Arnold Weinstock, it was inevitable that the son should have been somewhat in his father's shadow. Educated at Winchester and Magdalen College, Oxford, where he read Greats, Simon Weinstock struck those that met him as a young man as being shy and ill at ease in large groups or in unfamiliar surroundings. However, close friends and colleagues say that

he was good company with a tremendous sense of humour. His wedding to Laura Legh, the daughter of Major Sir Francis Legh, courtesy to the Queen Mother and private secretary to Princess Margaret, was a grand affair with a reception at St James's Palace, the centrepiece of which was an enormous cake decorated with the colours carried by the Weinstocks' Derby winner, Troy.

After a spell in the City with S.G. Warburg, Simon Weinstock joined GEC in 1982 and five years later was appointed to the board as commercial director. He had special responsibility for the defence side of the business. He negotiated, among others, the Marconi/Matra joint venture and played an all important part in the company's dealings with the Montopolis and Mergers Commission, the most recent concerning the takeover of VSEL, the warship builders.

Simon Weinstock, businessman and racehorse owner, born 24 February 1952; married Laura Legh (three daughters); died 18 May 1996.



Weinstock: expert on breeding

Photograph: Bancroft Photography

Spiros Argiris, conductor and arts administrator, died Moote Carlo, 19 May, aged 47. Director of the Spoleto Festival in Charleston, South Carolina and its counterpart in Spoleto, Italy since 1986. Resigned both posts in 1992 because of political infighting but returned the next year.

Hidetoshi Hogo, playwright, died Kanakura, Japan, 19 May, aged 93. Famous for fusing high art with popular drama, he was for many years the resident playwright for the "shinkokugeki" (new national theatre) acting company. Wrote more than 200 plays.

Willis Conover, broadcaster, died Alexandria, Virginia, 17 May, aged 75. From 1955, hosted "Music USA", broadcasting jazz world-wide, on the Voice of America radio station. Edgar Ortenberg, violinist, died Philadelphia, 16 May, aged 96. Formed the Berlin Quartet in 1927; in 1940, fled Europe for America, where he played for five years with the Budapest Quartet, a group of European refugees who performed four concerts a day.

Tham Bandy, publisher, died Phoenix, 15 May. Anti-government publisher of the *Odinnek Khmer* ("Khmer Identity") newspaper.

## Births, Marriages & Deaths

### DEATHS

RAVES, Joan, On 16 May 1996, tragically in a car accident in the United States, wife of Bill, President of St John's College, Oxford, and mother of Julia, Robert and Stephen.

SCOTT, Angela Rose, On 17 May, aged 26 years, died peacefully in her sleep after a long illness so bravely borne. Donations in her memory for St Catherine's Hospice, Scarborough, may be sent to Ernest Brigham Funeral Directors Ltd, 51 St John Street, Bridlington, East Yorkshire YO16 5NN.

Announcements for Gazette BIRTHS, MARRIAGES & DEATHS (Births, Adoptions, Marriages, Deaths, Memorial services, Wedding anniversaries, In Memoriam) should be sent in writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E14 3DL, telephoned to 0171-233 2011 or faxed to 0171-233 2010, and are charged at 55.50 a line (VAT extra). The Independent's main switchboard number is 0171-233 2000.

### Birthdays

Mr Geoffrey Archer, television news-caster, 52; Dr John Amington, Principal, College of St Edmund and St Bode, Durham, 64; Lord Cledwyn, former Lord-Lieutenant for Lancashire, 79; Mr Michael Crick, television journalist, 38; Baron Guy de Rothschild, banker, 87; Mr Malcolm Fraser, former Prime Minister of Australia, 66; Mr David Hunt, MR 54; Mr Terry Lightfoot, broadcaster and jazz musician, 61; Mr Leonard Marmorek, architect, 80; Dr Leonard Mullins, author on rubber, 78; Mr Dipak Nandy, Head of Equal Opportunities, Social Services Department, Nottinghamshire County Council, 60; Mr Andrew Neil, former Editor, the *Sunday Times*, 47; Miss Rosalind Flowering, soprano, 47; Mr Harold Robbins, novelist, 80; Mrs Mary Robinson, President of the Irish Republic, 52; Mr Leo Sayer, singer, 48; Professor Sir David Smith, President, Wolfson College, Oxford, 66; Mr Robert Welch, silversmith, 67; Professor Stanley Wells, Shakespearean scholar, 66; Mr Desmond Wilcox, radio and television presenter, 65; The Right Rev Mark Wood, former Bishop of Ludlow, 77; Mr James Woodhouse, director, ISIS East, 63.

### Anniversaries

Births: Alberto Ditter, painter and engraver, 1471; Philip II, King of Spain, 1527; Alexander Pope, poet and satirist, 1688; Francis Egerton, third Duke of Bridgewater, canal pioneer, 1736; Joseph Fouché, Duc d'Ortante, French revolutionary and secret police chief, 1763; Elizabeth Fry (Gurney), philanthropist and prison reformer, 1780; Amy Fay, pianist, 1844; Henri Rousseau, primitivist painter, 1844; Emile Verhaeren, poet, 1855; Glenn Hammond Curtiss, aviation pioneer, 1878; Konstantin Geyrovich Pavlovsky, writer, 1892; Marcel Lajos Breuer, architect and designer, 1902; Thomas Wright (Fats) Waller, songwriter and pianist, 1904; Raymond William Stacy Burr, film actor, 1917; Deaths: Henry VI, King of England, murdered 1471; Hernando de Soto, soldier and explorer, 1542; James Graham, First Marquess of Montrose, Scottish royalist, executed 1650; Robert Harley, first Earl of Oxford, statesman, 1724; Christopher Smart, poet, 1771; Christian Thomsen, archaeologist, 1865; Prince Paul Anton von Galanthin Esterhazy, diplomat, 1866; Franz von Suppe (Francesco Cavallero Suppe Denelli), composer, 1895; General

Venustiano Carranza, President of Mexico, murdered by revolutionaries 1920; Ronald Arthur Annesley Fitzbank, novelist, 1926; Jane Addams, sociologist, 1935; Hugo de Vries, geneticist, 1935; Kenneth Mackenzie Clark, Baron, art historian, 1983; Dino Grandi, Conte de Mordano, politician, 1988. On this day St Helena was discovered by the navigator, Joao da Nova Castell, 1502; Napoleon was defeated by the Austrians at the Battle of Aspern-Estling, 1809; the *Standard* newspaper was first published, 1827; Captain William Hobson proclaimed British sovereignty over the whole of New Zealand, 1840; gold was discovered in Australia, 1851; during the American Civil War, the Battle of Spotsylvania ended, 1864; the Treaty of Frankfurt was ratified, 1871; Leoncavallo's opera *Pagliacci* was first performed, Milan 1892; the Manchester Ship Canal was officially opened, 1894; Summer Time (daylight saving) was begun in Britain, 1916; Charles A. Lindbergh reached Paris at the end of his flight across the Atlantic, 1927; Today is the Feast Day of St Andrew Bobola, St Godric and St Theophilus of Corte.

### Lectures

National Gallery: Colin Wiggins, "May-be (iii): Rembrandt, or not?", 1pm.  
Victoria and Albert Museum: Agnes Holden, "Stained glass" (for visitors with visual impairment), 2.30pm.  
British Museum: Lynn Meskell, "Death and the Egyptian Middle Class: a view from the ground up", 1.15pm.  
National Portrait Gallery: Angela Cox, "Regency Women", 1.10pm.  
Royal Society: The Jagdish Chandra Bose Memorial Lecture (to be held at University College, London): Professor M.M. Sharma, "Microphase reversion engineering", 5.30pm.  
Royal Over-Seas League: Jane Brown, "Lutylent and the Edwardians", 7pm.  
Royal Institute of British Architects: Architecture Centre: Langlands & Bell, "Collapsing Time", 6.30pm.

### Luncheons

Foreign and Commonwealth Office: Sir Nicholas Bonsor, FR, Minister of State for Foreign and Commonwealth Affairs, hosted a

luncheon yesterday at the Royal Society, Carlton House Terrace, London SW1, in honour of the Bulgarian Parliament, Speaker of the Bulgarian Parliament, and Mrs Anna Sedova.

### Royal Over-Seas League

Sir Geoffrey Ellerton was the host at a luncheon held yesterday at Over-Seas House, St James's, London SW1, in honour of Mr Mwanengela Ngali, High Commissioner for Kenya, and of Mrs Ngali.

### Receptions

India League: Mr Julius Silverman, Chairman of the India League, and Mr S. N. Gounaris, Honorary General Secretary, were hosts of a reception held yesterday evening at the India Club, Aldwych, London WC2, by the India League in honour of Mr Gopal Gandhi, Director of the Nehru Centre, who has been appointed India's High Commissioner to the Republic of South Africa, and of Mrs Tara Gandhi. Amongst those present were:

Mr Michael Foot, President; Mr John Glegg; Mr R.K. Bagri; Dr and Mrs K.S. Shrivastava;

Mr V. Kameswari; Mr Mahendran Kuri and Mrs Kuri; Mr P.C. Varma; Mrs Ramana Radhakrishnan; Dr and Mrs Anna Maria; Mr and Mrs Azim Hassan; Mr Ramesh S. Dubash.

### Dinners

Royal Society of Saint George: Mrs Pauline Halliday, Chairman of the Council of the Royal Society of Saint George, and Mr Peter Halliday, president at the Installation Dinner of the City of London Branch of the Royal Society of Saint George held yesterday evening at the City Library Club, London EC4. The guest speakers were Sir Gordon Stanlock and Mr Bernard Morgan.

### Appointments

Mr David Colvin CMG, to be Ambassador to the Kingdom of Belgium.  
Mr John Bernard Golding QC, to be a Bencher of Lincoln's Inn.  
Miss Lesley Diane Millard, Mr Stephen John Williams, to be District Judges on the South Eastern Circuit.  
Mr David John Lippman, to be District Judge on the Midland and Oxford Circuit.

### ROYAL ENGAGEMENTS

The Duke of Edinburgh, President of World Wide Fund for Nature, WWF - International, visits Oryx & Master Ltd, Canary Wharf, London E14; as President, Royal Commission for the Exhibition of 1981, attends the Commonwealth Dinner at Azimutiers Hall, London EC2. The Princess of Wales visits Poundbury, Dorchester, Dorset, and opens the development, opens the offices of SW Tech Limited and holds a reception for those involved with the development. The Duke of York attends the Third Eastern European Organized Crime Symposium Dinner given by the National Criminal Intelligence Service at Lancaster House, London SW1. The Princess Royal, Lord High Commissioner to the General Assembly of the Church of Scotland, visits the Phoenix Centre, Strathclyde Regional Council Social Work Office, Rothbury, visits the Local Community and Arts Cathedral, visits Inverock, Dumfries, and visits Dalnair Church, Clydebank, and visits Kinross and Olan Park Centre, Olan, Princess Margaret, President, the Guide Association, attends the Annual General Meeting at Commonwealth Headquarters, London SW1, and is at a luncheon at Church House Conference Centre, London SW1.

Changing of the Guard: The Household Cavalry Mounted Regiment mounts the Queen's Life Guard of Horse Guards, 11am; F Company Scots Guards mount the Queen's Guard, at Buckingham Palace, 11.30am, band provided by the Irish Guards.



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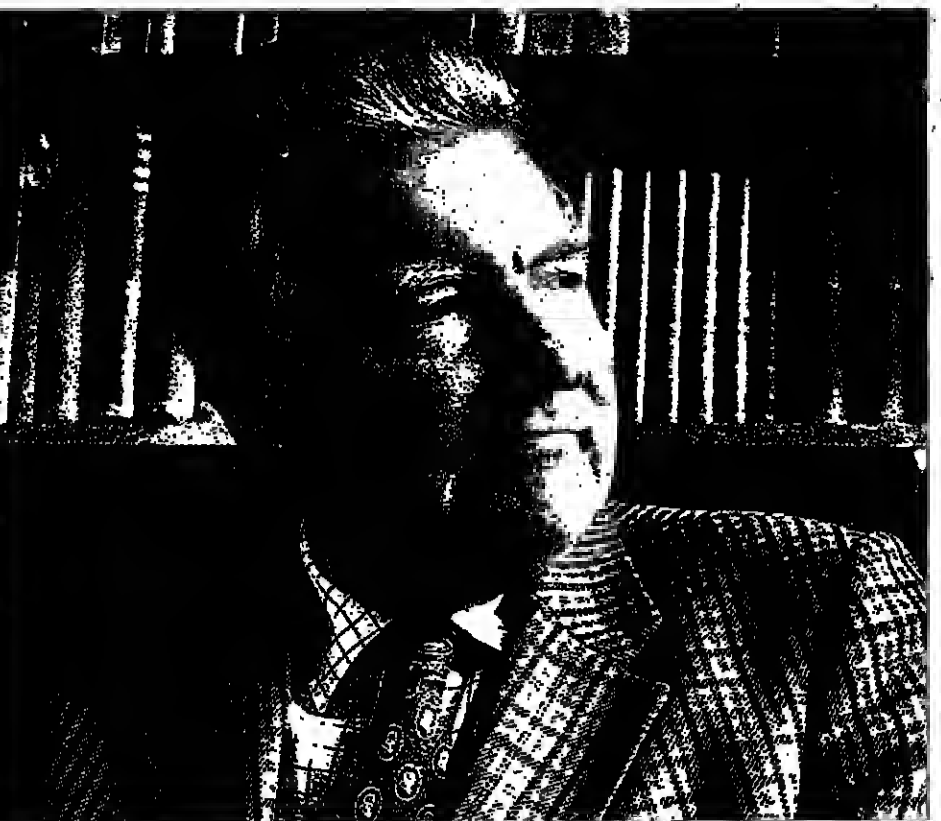




Frank Johnson: editor of the 'Spectator', former sketch writer of the 'Times' and columnist with the 'Daily Telegraph'



Boris Johnson: former Brussels correspondent for the 'Daily Telegraph', hate-figure of the European Commission and now Tory candidate



Paul Johnson: commentator for the 'Daily Mail', prodigious writer of 'why-on-why?' features and a former leftist

# These are the Johnson Brothers. They hate Europe, will ruin the Tory party and hand power to Tony Blair

By Julian Critchley

The deselection of Sir George Gardiner, one-time chairman of the right-wing 1992 Committee would be welcomed by many in the Tory party. A conspiratorial figure, for ever to be seen haunting the passages of Westminster, seeking the election of his friends to the office of some party committee, he does tend to look the part. Lushurious as well as conspiratorial, Sir George has been a pillar of the right for as long as I can recall.

His constituency association has passed by 15 votes to 14 a resolution that seeks to invite others to come before a selection committee; Sir George's response has been to threaten to apply to the Chiltern Hundreds (the parliamentary terminology for resigning), thus, in theory at least, cutting the Government's majority by two, as Labour would be expected to win any by-election.

It is all bluff, of course. An MP who applies for the Chiltern Hundreds loses his "golden handshake" of a year's salary, that is £34,000 (£30,000 of which is tax free). And there is every possibility of MPs' salaries rising as a result of a Commons committee to report in July, which would result in Sir George, who is not a rich man, losing more than £40,000 after tax. I suggest his bluff be called and a new, moderate candidate selected.

Much of the Conservative Party's disorientation can be ascribed to our hard-right newspapers. The Conservative press in Britain has usually been well to the right of Conservative governments. Think, for example, of Beaverbrook's failed pro-war crusades. But the Conservative governments before the accession of Good Queen Margaret in 1979 were far less right-wing than those since, and there were countervailing forces against the right both in and outside the party.

Nowadays, the Conservative press, largely foreign-owned, trumpets home and foreign policies fully suited to North American ideas and conditions but discordant to those of Britain and Europe.

That the hostile press campaign against the European Union should be led by our foreign-owned newspapers is only superficially paradoxical. As we should all know, the nation-state has grown ever weaker against global market forces

and multinational corporations. As a result, only large groupings such as the EU have much chance of taming them. Hence the enmity of the Murdoch and Black empires to Europe, or, to be more specific, Britain in Europe.

They are, after all, multinationalists, Rupert Murdoch changing his shirt as often as he does his nationality. All the spite, ridicule and misinformation that these papers can muster has been deployed in the service of their masters.

The Johnson Brothers, who for the record are not related, sing in harmony (though to do him justice, Frank, the cleverest of the three, now exiled to the *Spectator*, has not joined in the almost universal Major-baiting practised by the other Johnsons, the Bookers, Heffers and various teenage leader writers. Frank told me he does not believe in "witch-hunts").

And they are not alone in promoting the agenda of the far right. Jeremy Deedes, late of the *"Old" Telegraph*, has pointed out that the *Daily Mail*, under the editorship of Paul Dacre, has become "increasingly nasty". Mr Murdoch wanted Mr Dacre to edit the *Times*; instead, Mr Dacre has Murdochised the *Mail*.

The *Express*, which, under the ownership of Lords Stevens and Hollick (a Labour peer), has lost out to the *Mail* in the circulation battle, has become every bit as hostile to Britain in Europe as its rivals.

That silly symbol of the chained crusader, which came to symbolise Beaverbrook's vanity and many failures, was shown on Europe Day, 9 May, ripping up the starred flag of a United Europe, a gesture only rivalled by Michael Forsythe's puerile dictatorial in forbidding the flag to be flown over his Scottish back yard. Mr Forsythe is a second-rater, whose natural home is on the Government back-benches, seated next to David Evans, the Lorton cuckoo.

Conrad Black's papers are all "upmarket", their readership traditionally Tory. Mr Murdoch's arsenal of hate incorporates two barrels: the *Times* and the *Sunday Times*, and the "soar-away" *Sun*, which the working classes use to wrap their Spanish fish and Irish chips. Under the heading "the *Sun* says", that paper's leader writer wrote on 9 May: "In our

23 years in the EU [wrong, the EU is a recent development], we have tipped £30bn in the coffers of Brussels."

Note the use of the word "coffers", as if the money, which, of course, took no account of sums received in return, was lining the pockets of Leopold Britain and Neil Kinnock.

The editorial went on: "We have had to stand by helplessly as Europe destroys our fishing industry [incorrect, over-fishing has done more harm than any European commissioner], and threatens to do the same to our beef farmers and butchers." How much of the BSE scare has been got up by the press? That question is never addressed.

The writer, sucking pensively

Much of the Conservatives' disorientation can be ascribed to our hard-right newspapers

on the stub of his pencil, continues in true *Sun* style: "So our message to Europe today is simple. You know what you can do with your Euro-flag. And that goes for the flagpole, too." (The word flagpole is underlined, in case the unhappy reader does not get the "joke".) Little wonder that those journalists who work on the *Sun* refer to it as "the comic".

The *Times*, which knew better days under Lord Thomson, printed in its leader column a more sophisticated diatribe. The writer (I shall not shame him by revealing his name) wrote under the sub-heading Union Jacques

"There should be a competition for a flag to suit the Europe of today. A tricolour of suitably straight sausage, cucumber and banana?" This extravagance might well have raised the flicker of a smile, but it perpetuates deliberately three "Euro myths" - the straight sausage, cucumber and banana - which have no basis whatsoever in truth.

A Gary Bushell, sometime television critic who also describes himself as the *Sun*'s Brussels correspondent, with the sub-heading "Flies the flag for Britain" besides a Union flag, asked: "How should we celebrate Europe Day? Fancy tucking into a few garlic snails, washed down with German plonk as we sing Beethoven's 'Ode to Joy' under the banner of President Jacques Santer's European Union ...?"

This is the voice of the new nationalism, anti-French, anti-German, anti-foreign and anti-culture. He would have been more to the point had he mentioned the tastelessness of Dutch tomatoes.

The anti-Europe campaign of the British Tory press has greatly encouraged the least attractive elements within the Conservative Party, namely Michael ("El Cid") Portillo, who believes foreign students buy their educational qualifications, and who proclaims at Tory party conferences that "Britain will not fight for Brussels", as if he had been asked to do so. He is a loose cannon who has been overtaken by John Redwood with his shyly snail and his contentious pamphlets. "Norman Tebbit's bile can be traced back to Brighton; Norman Lamont (if only someone has blacked the other eye) has no such excuse. He is motivated solely by pique.

And then there are the others, the small fry. The black-

and-white Teresa Gorman, the boring Bill Cash and Christopher Gill, the Shropshire meat pie. A master butcher, he has been silent over BSE.

The fact that the Euro-sceptics number nearly 70 has done almost as much harm by their expression of disunity to the electoral politics of the Tories as has the constant campaign of denigration waged against John Major, for no apparent reason than he is a decent chap. The two *Telegraphs* must bear much of the responsibility for the very real possibility of a Tony Blair's England.

Mr Major is not the only villain. Chancellor Kohl has been made a target of every hack who can carry a pen. Perhaps the worst example of the new obscurantism, however, was a recent editorial attacking Mr Major personally in the *Daily Telegraph*. Among the list of his sins and failings was the extraordinary assertion that he was responsible for our current "anti-monarchical culture". Jesus wept.

There must be many Tory constituency activists who are wondering how best to rid themselves of Euro-sceptic or disloyal MPs. The process is quite straightforward and in the past, in 1990, having voted for Michael Heseltine against Mrs Thatcher, I suffered from it.

Most constituencies have adopted what are called the Central Office Model Rules. Under these rules, only 50 signatures are needed to call a Special General Meeting, at which any resolution you care to table can, in theory, be carried. It is in this way that the Gills, Cashes and Cashes could be painlessly removed, to be replaced by moderately minded Tories who believe not only in One Nation but also that Britain has a positive role to play in Europe.

## Try creative cursing: experts swear by it

"Professor Roland Bumper, you are an expert in road rage, are you not?"

"Well, I am professor of Automobile Behaviour Studies at Milton Keynes, if that's what you mean."

"Does that mean you are an expert in road rage?"

"Oh, yes. But I am also an expert in speeding disorders, compulsive car cleaning, car theft syndrome, hack seat magpie mania and many other car-connected behavioural tendencies."

"I see."

"So I am not limited just to road rage."

"I see."

"What I am trying to say is that any time you want to get a car-driver expert to talk about anything, I'm your man. I'm always available on my mobile and I can get to the studio as quickly as you like."

"By car?"

"If necessary. I prefer to go by train."

"Is it quicker by train?"

pleasant experience. No rail rage on a train."

"But there is rage in a car?"

"Certainly. That's why you asked me here today, for this interview."

"So I did. Well, tell me, professor - why do people get road rage? Is it because some other road-user breaks the Highway Code?"

"No. It's because some sodding bastard is driving like an effing madman."

"I beg your pardon?"

"That's the language of road rage. Cursing, swearing and hissing. Not for the road rager the Queen's English. You do not hear him saying, 'Dear me, that driver is in danger of making me late for my appointment - I do so hope he manages to get through the lights before they turn red again this time'."

"Ah, no, the man who suffers from road rage slips immediately into the 10 or 12 words available to the maddened Englishman."

"Ten or 12?"

"Well, possibly not as many as 10 or 12. The English repertoire of four-letter words is so meagre as to

be a pleasant experience. No rail rage on a train."

"But there is rage in a car?"

"Certainly. That's why you asked me here today, for this interview."

"So I did. Well, tell me, professor - why do people get road rage? Is it because some other road-user breaks the Highway Code?"

"No. It's because some sodding bastard is driving like an effing madman."

Miles Kington

beggar description. We now think that this may in fact be the cause of road rage."

"The paucity of swear words in English?"

"Indeed. We have found that in countries where they have greater fluency in swearing and cursing, there is less violence. The more chance you have to exorcise each other, the less likely you are to buff each other on the nose."

"Exorcise?"

"I'm glad you noticed that. It's a long word I like to slip into interviews. It means to flay, both physically and verbally. Slipping long words into interviews also helps to ward off road rage, by the way."

"Does it?"

"Sure. We have done a series of controlled experi-

ments at Milton Keynes in road rage simulation. We have tried letting people shout at each other normally, we have tried coaching them in their range of insults and we have tried teaching them new, artificial swear words."

"Such as?"

"Prap. Clint. Flaker. Jeez. Fulkirk. Fastnet ..."

"Hm. And what happened?"

"Almost without exception we found that the wider the vocabulary, the less chance of coming to blows. If two men - and it is always men who get road rage, for reasons that we needn't go into here, but are something to do with the fact that women are nicer than men - if two men blow off steam at each other, and can continue to blow off steam, they will subside. It is the frustration of not being able to think of another insult that drives people to violence."

"So what you are saying is that ..."

"What I am saying is that the Government must embark on a major new programme."

"Of road building, you mean?"



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Vitamin B12	100µg	NIL
Vitamin C	150mg	30mg
Vitamin D3	10µg	2.5µg
Vitamin E	100iu	20iu
Biotin	150µg	2.5µg
Pantothenic Acid	50mg	NIL
Choline	25mg	NIL
Folic Acid	400µg	500µg
Niacin (as Nicotinamide)	100mg	50mg
Inositol	25mg	NIL
PABA	25mg	NIL
Copper	2mg	NIL
Chromium	200µg	NIL
Iodine	150µg	NIL
Iron	10mg	12mg
Magnesium	5mg	NIL
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Selenium	200µg	NIL
Zinc	15mg	NIL



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# Instant results for Railtrack Sids

PETER RODGERS  
Business Editor

Thousands of private investors yesterday sold their Railtrack shares for an instant profit averaging around £100, during hectic dealings which accounted for more than a fifth of stock market volume.

The shares rose at one stage 40p above the part-paid retail price of 190p, and closed 30.5p up at 220.5p, a 16 per cent premium on the 190p a share paid by private investors.

After heavy oversubscription by institutions and retail investors, the success of the offer on the first day of trading was welcomed with delight by the Government but scorned by the opposition.

Clare Short, Sir George's Labour shadow, repeated her threat that a Labour government would move to tighten railway regulation, adding "We have said this will not be a gravy train. There will not be the big fat instant profits at public expense that there have been in other privatisations."

At a typical sale price during the day of 222p, holders of the minimum of 300 shares would have made a profit of about £57 after dealing expenses of £7.50, said The Share Centre, one of the share shops handling the issue.

An average holder of Railtrack awarded 350 shares would have made £105 profit after the same dealing expenses, on an investment of £665. On a fully paid basis, Railtrack's paper value has risen £130m above the float price, to more than £2.1bn.

Robert Horton, chairman of Railtrack, said he was not surprised that some small investors had staged the issue, by buying to sell immediately.

"We have the basis of a loyal shareholding once the fuss and bother has died down, and that is the important thing," he said.

Mr Horton added he was delighted that 90 per cent of the staff had taken up the shares made available to them, and he pledged that the privatisation would soon deliver benefits to customers.

There is no conflict between the interests of shareholders and of the travelling public," he claimed.

Mr Horton said that the public would soon see improvements because since 10 December last year Railtrack had been operating a thousand electronic clocks around the country measuring the performance of trains - and putting a price on delays.

This might price a minute's delay in the rush hour at Waterloo at £150 but on an obscure branch line at only £10. The technology allowed Railtrack and the train operators to decide in "real time" - during the 8 hour shifts in which the delays were happening - whose fault it was and how to apportion the costs.

The result was a formidable database for Railtrack on where the most costly delays were to be found, said Mr Horton. This in turn would focus capital spending and asset maintenance where it would have the maximum effect. "If a particular set of points is costing thousands a week then we know to get someone down there to get it sorted out," added Mr Horton.

The surge in the share price came as City institutions, which had seen their allocations cut back to make way for private investors, bought heavily in the



Offer closes: Ian Dudman, crossing keeper at Elsenham railway station, Essex

Photograph: Brian Harris

market to make up their holdings.

With Railtrack volume at 167m - 22 per cent of the market - the total number of shares traded was 83 million, or 16 per

cent of the number the Government sold.

The issue was heavily oversubscribed, with at least £12bn cash chasing £1.9bn of shares, allowing the Government to sell

at 390p a share, the top of its promised price range.

Institutions paid 200p for the first instalment and were seeing a premium of 10 per cent at the close.

About 9 per cent of successful applicants staged the issue, said Gavin Oldham, chief executive of The Share Centre.

Sir George Young, the transport secretary, disclosed last

night that the Government was to receive £1.67bn from the sale so far, though the total for the company is £1.93bn when over-allocation options held by Warburg are included.

## BA sets profits target of £1bn

MICHAEL HARRISON

British Airways has set itself the ambitious target of increasing profits to more than £1bn a year by the end of the decade, reinforcing its position as the world's most efficient and profitable airline.

Announcing record pre-tax profits last year of £585m and a £94m bonus for staff - one of the biggest paid by a UK company - BA's chairman, Sir Colin Marshall, said every aspect of the group's operations would be reviewed.

The huge improvement in business efficiency, he added, would be achieved through further cost reductions, improved use of assets and revenue-enhancing initiatives.

Sir Colin said that over the next three years BA aimed to achieve business efficiencies worth £1bn on top of the £900m of savings made in the last five years.

BA's finance director, Derek Stevens, indicated that up to £600m of this improvement could feed straight through to the bottom line - pushing BA's profits well above the £1bn mark by the beginning of the next century.

The unveiling of the plan was marred, however, by an announcement that BA's pilots are to hold a strike ballot in protest over a two-year pay deal on offer from the airline.

BA's chief executive, Robert Ayling, maintained that the pay offer - worth 3.7 per cent in the first year and inflation plus 0.5 per cent in year two - was a "very attractive" one and had already been accepted by the airline's 20,000 ground staff.

He added that the staff bonus - worth a minimum of £1,210 for the junior employees and up to £5,000-£6,000 for pilots - would be paid irrespective of whether there was a vote for strike action.

Sir Colin would not specify

exactly how the challenging efficiency target would be met and how much would come from cost-cutting. However, he said achieving competitive unit costs would be an important part of the programme.

Nor would he respond to reports that BA is on the verge of sealing a transatlantic tie-up with American Airlines, possibly involving the two carriers taking cross-shareholdings in one another.

"We continue to believe that a further round of consolidation within the US airline industry is likely to occur. What, when and how I cannot say. We will, however, be watching the situation closely to see what implications there could be for our US investment and for British Airways itself."

BA has a 24.6 per cent stake in USAir, which it acquired four years ago for £250m. Both American and United Airlines held discussions last year about acquiring USAir - a deal that could have led to a new and bigger alliance with BA but the talks broke down.

Although BA has written down the value of its stake in USAir by a half, the airline is making an increasing contribution to the group's bottom line.

Last year BA's global alliance partners, including franchise airlines, contributed £150m profit.

USAir contributed £80m in additional revenues and cost-sharing benefits. Qantas, the Australian airline, in which BA has a 25 per cent stake, also chipped in about £30m, while BA made about £20m from franchising its name to other airlines.

Losses from its two European associates - TAT of France and Deutsche BA - were also cut from £90m to £68m, despite a strengthening of both the franc and the German mark.

Comment, page 17

## Oil sector falls as Iraq strikes UN deal

MAGNUS GRIMOND

Oil shares were marked down sharply yesterday after Iraq signed a United Nations plan that would allow it to sell oil for the first time since 1990.

Anticipation of a successful agreement, which is likely to see an extra 600,000 to 700,000 barrels come on to the market within a few weeks, saw the oil price fall by a up to \$1-a-barrel during the day, dragging down stock market prices with it.

The exploration sector was

hardest hit, with Lasso falling 6.5p to 176.5p and Enterprise dipping 5p to 460p. BP was off 5p at 569.5p, but Shell, less dependent on upstream exploration and production earnings, bore up well, losing just 3p at 926.5p.

The deal will allow Iraq to raise \$2bn for humanitarian aid by selling oil over a six month period. It comes after four years of on-off negotiations between Baghdad and the UN on how to help ease the hardships caused by an oil embargo

the UN imposed in 1990 after Iraq invaded Kuwait.

The long haggling had convinced some industry observers that an agreement would not be reached, but the threat has been overhanging the oil price and analysts said yesterday it had largely discounted the deal.

"It's been a long painful delivery, but the signs have been for quite a long time that it would happen. It seems to have been factored into the crude price already," said one analyst.

The price of North Sea Brent

oil fell by up to \$1 a barrel in London trading yesterday, with August futures closing at around \$17. In the last few days, Brent has fallen from well above \$19.

A recent study by the Energy Information Administration, part of the US Federal Government, suggested that the addition of 700,000 barrels of oil to world supplies would result in a cut of \$3- to \$4-a-barrel in the price. That prompted one analyst to suggest the price could go down as low as \$16.



## Currency pressure 'grows on UK'

JOHN EISENHAMMER  
Financial Editor

The political pressures on Britain to take part in European monetary union have risen markedly in recent months, Eddie George, the Governor of the Bank of England, told MPs

yesterday. "The financial markets have been pushed to one side," Mr George said in evidence before the Treasury Select Committee, noting the apparent determination of a number of key governments to meet the 1999 deadline for a common currency.



Pragmatist: Eddie George expressed growing doubts about the ability of countries to meet the EMU deadlines

The Governor emphasised the political dynamic of the decision-making process because, in his view, the chances of key countries achieving the convergence criteria in time had become "more doubtful than a year ago".

Mr George was re-appearing before the select committee in part to correct what he regarded as a Euro-sceptical misinterpretation of his EMU evidence on 8 May.

Instead, Mr George placed himself firmly in the pragmatist camp, lining up alongside Kenneth Clarke, the Chancellor.

He said he did not take an adverse view of European monetary union, but had become more doubtful about the ability of countries to fulfil, on time, criteria on inflation, public spending and national debt.

"I was disappointed with the way in which it [my previous evidence] was reported. I am not commenting in an adverse way on the merits of the project," he told the MPs.

"I believe that it may help to achieve the kind of stability which I think is fundamentally the most important issue here. And I think if that stability is achieved on a sustainable basis, encapsulating that in a single currency then becomes a plausible, sensible approach."

"All I have said in talking

about having become more doubtful is I am more doubtful as to whether the convergence criteria can be achieved according to the Maastricht timetable," he added.

"I am more doubtful now than I was a year ago [because of] the softening of economic activity on the continent of Europe. I think that is an extremely unhelpful environment for actually achieving the convergence criteria to the current timetable."

He also said that he believed that if the UK remained outside EMU, such a move would not damage the financial activities of the City of London. The UK would not be treated like a pariah if it chose not to join a common currency, he said.

The Governor lent his weight to the argument in favour of making the Bank of England independent, whether or not Britain decided to join EMU, because of the advantages it would bring in boosting anti-inflation credentials.

The Governor said that what really mattered for Britain was the ability consistently to deliver a stable economic environment "in any circumstance in or out [of EMU] with or without an independent central bank". But he would welcome a decision to give the Bank a mandate for delivering price stability.

## Insider trading blitz planned

Exchange lobbies for changes that would introduce fuzzy software spy

JOHN EISENHAMMER  
Financial Editor

The London Stock Exchange is urgently lobbying for a change in the law to make it easier to prosecute insider trading. Pressure on government and other regulators to make insider dealing a civil offence has been stepped up ahead of the introduction of artificial intelligence technology which the Stock Exchange hopes will dramatically improve its detection of market manipulation.

The Exchange is concerned that the usefulness of much sharper detection methods will be blunted by the inability of those carrying out subsequent investigation and prosecution to improve on their poor record.

Richard Kilsby, director of market services, said: "The danger is that the better we get at detection, the more frustrated we will become with the lack of effective remedies."

The lobbying efforts are being focused on the Home Office, which is understood to be the most reticent about changing the law. The Securities and Investment Board, the City watchdog, and the Treasury, have become more sympathetic to a move that would reduce the burden of proof in prosecuting insider dealers.

A change in the law would allow the lower "more likely than not" standard of proof used in civil disputes as opposed to the much more exacting "beyond reasonable doubt" standard demanded in criminal prosecutions. Those successfully prosecuted would not go to jail, but face heavy fines.

The Exchange's concern has received greater impetus as it moves towards the installation from August of revolutionary surveillance software. This will coincide with the start-up of the final stage of modernisation of

the Sequence electronic trading platform.

Instead of the current monitoring system, based on alerts triggered by unusual price movements, the artificial intelligence techniques will create a system that can learn from the data, growing and adapting.

"Much of what we have done is to develop methods to make sense of the mass of data which goes through the exchange every day," said Konrad Feldman, a founder of SearchSpace, the small computer company creating the new system.

Using fuzzy logic, genetic algorithms and neural networks, the data is used to build profiles of all entities in the market, whether individual shares, sectors, or market users.

"Once the profiling is in place the other techniques are aimed at what could be called data forensics, where we find patterns that are unusual and have a high probability of being instances of market abuse," Mr Feldman says.

By identifying what announcements are important, the system hopes to identify opportunities for insider trading. "What we want is to find the person who deals ahead of an announcement without moving the share price. That is the most heinous sort of insider trading," Mr Kilsby said. Using a combination of intelligent systems, the new software hopes to detect dealing rings where several individuals, or one individual with several accounts, trade across all their accounts for the purpose of insider dealing or market manipulation.

Costing several hundreds of thousands of pounds, the Stock Exchange project is the highest so far undertaken by SearchSpace, a company founded two and a half years ago by a group of doctoral students at University College of London.

STOCK MARKETS									
Index	Close	Day's change	Change (%)	1996 High	1996 Low	YTD (%)	Index	Close	Day's change
FTSE 100	3778.20	+11.40	+0.3	3857.10	3639.50	3.96	Nikkei	22400.00	+100.00
FTSE 250	4522.30	+8.90	+0.2	4568.60	4075.30	3.32	Dow Jones	5900.00	+10.00
FTSE 350	1913.40	+3.60	+0.2	1945.40	1816.80	3.63			
FT Small Cap	2240.04	+0.40	+0.0	2240.04	1954.06	2.90			
FT All Share	1898.47	+3.30	+0.2	1924.17	1791.95	3.76			
New York	5703.78	+16.28	+0.3	5889.74	5032.94	2.17			
Taipei	21879.00	+62.40	+0.3	22282.05	19734.70	7.71			
Hong Kong	10887.58	+170.74	+1.6	11594.99	10204.87	3.71			
Frankfurt	2550.00	+12.67	+0.5	2550.18	2284.86	1.86			

Source: FT Information

INTEREST RATES									
Short sterling			UK medium gilt			US long bond			
1 Month	6.00	6.38	6.00	6.00	6.00	7.00	7.00	7.00	7.00
3 Months	6.00	6.38	6.00	6.00	6.00	7.00	7.00	7.00	7.00
6 Months	6.00	6.38	6.00	6.00	6.00	7.00	7.00	7.00	7.00
1 Year	6.00	6.38	6.00	6.00	6.00	7.00	7.00	7.00	7.00

CURRENCIES									
£/\$			£/DM			£/¥			
1.5122	-0.35	1.5672	0.6613	+0.15	0.6381	164.00	+0.15	164.00	164.00
1.5130	-0.15	1.5745	0.6609	+0.05	1.5745	164.00	+0.15	164.00	164.00
2.2907	+0.75	2.2895	1.5347	+0.85	1.4482	164.00	+0.15	164.00	164.00
161.974	+0.387	137.463	107.115	+0.47	87.715	164.00	+0.15	164.00	164.00
84.5	+0.1	85.0	97.2	+0.4	90.4	164.00	+0.15	164.00	164.00

MAIN PRICE CHANGES									
Rises	Price (p)	Change (p)	Change%	Falls	Price (p)	Change (p)	% Change		
British Biotech	3030	185	6.5	Lagard	176.5	6.5	3.6		
Telewest	186	6	3.3	Premier Oil Plc	30	1	3.2		
Marley	143	4	2.9	Scot Power	345	10	2.8		

Handwritten signature or note in Arabic script.



# BA reveals bold ambitions, but realistic ones

## COMMENT

In the last five years BA has carved £900m out of its cost base without any adverse impact on service. At the same time the main airline has achieved remarkable organic growth while also managing to bolt on new capacity.

Has Sir Colin Marshall been at the aviation fuel again or what? Profits doubled by the turn of the century? Scope for £1bn worth of efficiency gains? What does the man think he's running, a privatised utility? The sceptics will no doubt pour scorn on the impressive and admittedly ambitious efficiency programme set out yesterday by British Airways. And indeed an element of caution probably is appropriate. There are few industries more cyclical than air travel and there are few businesses more prone than airlines to being blown completely off course by extraneous influences such as moustachioed Middle Eastern tyrants.

But the proof is, as they say, in the pudding. In the last five years BA has carved £900m out of its cost base without any adverse impact on service. At the same time the main airline has achieved remarkable organic growth while also managing to bolt on new capacity in the shape of Qantas, USAir and a pair of regional European airlines.

Not all of this has fed through to the bottom line by any means because of the curious economics that dictate airline performance. To stay at the top of the heap BA has had to invest massively. Making more seats available, particularly if they are to far-flung parts of the globe, can hurt yields in the short term because the further a passenger flies the less an airline makes out of them per mile.

But if any airline is capable of delivering

then it is BA. It possesses a priceless asset in the shape of a third of all the take-off and landing slots at Heathrow, the world's busiest international airport. For that reason the rest of the world airline industry is constantly knocking on its door. Provided the anti-trust objections can be overcome, BA might be about to secure a transatlantic alliance of mouth-watering possibilities with the last of the great unclubbable carriers - Bob Crandall's American Airlines.

Some passengers, however, are hard to please. The market took one look at BA's grand vision - alongside a set of record profit profiles - and reacted as if it had just found a cockroach hidden under the cream brulee. That is a pity because, if nothing else, Sir Colin is doing what the fund managers would surely want of him - setting targets against which the company's performance and that of its management can be tested and demonstrating by similar means how well it has so far done. More companies should be following BA's lead.

## This season's fashion: the share buy-back

From Barclays to Safeway, PowerGen to Reuters and Guinness, share buy-backs and whacking great special dividends seem to be all the rage. If you cannot think of anything worthwhile to do with your money, give it back to shareholders, seems to be the latest corporate mantra. Among the utilities, it has a special piquancy, for if the company cannot think of proper uses for its money, the regulator sure as hell will; he'll take it away from you.

Is there anything wrong with the craze? Certainly it is possible to see it as a symptom of unimaginative and unadventurous management. Outside the Anglo-Saxon world it is virtually unheard of for companies to pay back their capital; somehow or other, Continental and Japanese companies always seem to find a use for it. Despite Britain's new low-inflation environment, British businessmen still seem to require impossibly demanding returns from any commercial investment. Their failure to invest on a scale necessary even to ensure existing capacity is updated is a real cause for concern.

But there is an alternative and more benign way of looking at the phenomenon. To begin with, it tends to be confined to cash-rich sectors. There has yet to be a buy-back in the manufacturing industries so often accused of under-investing. Moreover, share buy-backs and special dividends are, in essence, rights issues in reverse. For years, the tendency among British companies was to raise money on the stock market just to pay it back in dividends, or worse still, as happened in the case of Barclays in the late 1980s, to blow it on profligate and costly expansion.

Seen in this light, the share buy-back is a

healthy development, ensuring that companies focus themselves and their capital on the things they do best. If the markets are doing what they are supposed to, the excess capital gets redistributed, ultimately finding its way into better and more deserving investment opportunities. Enterprise, innovation and proper commercial investment, far from being damaged by the buy-back, all get to benefit from it.

There is no denying the size of the phenomenon. Taken together with the very substantial number of cash takeovers of the last few years, there has been a sizeable transfer of cash from the corporate to the institutional sector. The amount of capital being taken out has exceeded the amount being raised. It will not always be thus, however. The corporate sector as a whole turned cash-negative towards the end of last year. As a result, the trend could soon be reversed: the amount of capital being sought might exceed that being paid back. We can but trust that once the hogging bowl does come out again, the institutions will be there and ready to help. The City can expect little mercy from Labour if they are not.

## Time to flog off the family plutonium

Think of the most mistrusted industry in the land and privatisation. Slice the odd billion or two off its debt and write the as-

sets down by a half. Make sure the advertising campaign contains only the most subliminal references to what it actually does. Finally, under price it so that even Sid can't look this gift horse in the mouth. Yep, the sale of British Energy is almost upon us. No sooner has Railtrack gone to a runaway first-day premium than the Government is preparing to toilet a collection of second-hand nuclear power stations upon us.

The predictability of these privatisation exercises has become so remorseless that the Government's highly paid outsource of advisers must surely these days tell the time not by the sun, the stars or a clock but by what stage the marketing campaign has reached.

We have had the ritual row about the bid-ance sheet. We have had the ritual tone of in-depth research from the Government's investment banking advisers. Let's see. That means it must be time to start massaging price expectations down. What did we first think it might fetch? Really, as much as £2.5bn. Let's slice £1bn off that, run it up the Bapsle and see how quickly the saliva glands start working.

What do you mean that's less than it cost to build just one of these wretched stations? With a bit of luck Labour will soon be kicking up a fuss - family plutonium being flogged off on the cheap and all that. Nothing better than a bargain, is there?

## OECD applies axe to growth forecasts

DIANE COYLE  
Paris

Growth in the industrial countries this year and next will be far lower than the Organisation for Economic Co-operation and Development forecast as recently as December, the Paris-based think-tank admitted yesterday.

The OECD also predicts almost no change in high European unemployment levels of above 10 per cent during the next two years.

The substantially more pessimistic forecasts for the world's industrialised economies do not take account of further planned cuts in public spending by France and Germany in their efforts to qualify for the European single currency.

Their bid to meet the Maastricht criteria poses the risk of an even weaker outlook, according to the OECD's secretary general, Jean-Claude Paye. France and Germany would not meet the Maastricht requirement of a government deficit below 3 per cent of GDP without further planned budget cuts, he said.

Mr Paye painted economic

prospects for the industrialised world in a rosy light, saying there would be a pick-up in Europe and Japan during the course of this year. The US was on course for stable and non-inflationary expansion, he said.

However, turbulence in the financial markets last spring and the appreciation of the mark until last summer had led to much weaker growth at the end of last year than the organisation had anticipated.

It now predicts the OECD countries as a whole will grow by 2.1 per cent this year climbing to 2.5 per cent in 1997. This is down from its earlier forecasts of 2.6 per cent and 2.8 per cent.

The biggest revisions have been for Germany and the US. The OECD reckons the German economy will expand by a mere 0.5 per cent this year, compared with its previous prediction of 2.4 per cent. The 1996 outlook for the US has been downgraded to 2.3 from 2.7 per cent this year and 2 per cent next year.

The forecast for US growth has also been affected by a change in the definition of GDP used by the government. The switch to "chain weights",

which are updated for price changes, meant the forecast was starting from a lower base.

The OECD will not publish its forecast for other individual countries until next month but most will be revised sharply lower, too. Mr Paye said there was a danger that government budget cuts in Europe might make the outlook even weaker as countries were all acting together in order to meet the single currency deadline. But he thought governments could compensate for this by reducing interest rates.

Financial markets would help, too, by rewarding budget cuts with lower long-term bond yields, he argued. Cutting government spending had a favourable effect on confidence.

Kuniharu Shigehara, in charge of the OECD's forecasts, said any fiscal consolidation would be beneficial over time. "The difficulty would be the time profile," he added.

Mr Paye said the OECD would complete a report on multinational investment in time for next May's meeting of ministers.

The ministers' meeting in Paris today and tomorrow will also discuss the issue of labour standards in world trade.

The Paris-based think-tank, which has spent two years analysing the causes of unemployment, will today publish the final report in its jobs study with detailed proposals for measures to be undertaken by each member country.

## Pearson may supply pay-TV channel

MATHEW HORSMAN  
Media Editor

Pearson, the media and information giant, is in negotiations to supply TV programming for a new channel that would broadcast matches of the Premier League, according to informed sources.

The new pay-TV channel, proposed by media companies Carlton and Mirror Group, would only go ahead if a consortium backed by Mirror and Carlton won the TV rights to Premiership football matches from 1997.

Those rights are currently held by BSkyB, the satellite broadcaster owned 40 per cent by Rupert Murdoch, which is negotiating to renew its £304m, five-year contract.

Mirror and Carlton are believed to be offering at least twice that amount in a revenue-sharing deal with the Premier League. BSkyB has radically increased its bid, and is believed to be offering a similar split with the Premier League. It has pre-emptive rights to match any competing offer, under terms that are being investigated as part of a wide-ranging inquiry by the Office of Fair Trading.

Mirror and Carlton's proposed channel, tentatively called Premiere, would feature exclusive broadcasts of Premier League matches, in addition to general entertainment programming. Analysts speculated last night that they could also use their existing cable channels, Carlton Select and LiveTV, to broadcast additional games.

Pearson Television is negotiating to supply both new programming and archive material from its extensive library, which

includes the rights to programmes made by Thames Television and Grundy Worldwide, two subsidiaries. Greg Dyke, chief executive of Pearson Television, is believed to have had a central role in launching the talks.

However, Pearson will not be part of any consortium applying directly for the Premiership rights, Frank Barlow, chief executive of Pearson, confirmed to the Independent.

"No, we will not be bidding," Mr Barlow said. "BSkyB will bid what it needs to in order to win and we won't compete against that."

Pearson and MAI, Lord Holford's media group, looked closely at the prospects for a Premiership bid toward the end of last year. A decision not to proceed was taken at a board meeting of Pearson Television earlier this year, although a senior executive of the television subsidiary has continued to brief the board on Premiership developments.

MAI has declined to comment on whether it is still contemplating a bid with other partners. Granada held preliminary talks with Carlton about forming a consortium, but withdrew late last year. Neither Carlton nor Mirror Group would comment yesterday.

Although most ITV companies have ruled out bidding for the rights, the ITV network could bid for the highlights of League matches, currently aired on the BBC. It is believed these rights could fetch as much as £20m a year in the next contract round, up from £8m currently.

BSkyB is believed by most analysts to have the inside track



Greg Dyke: is believed to have been central in the launch of talks

for the next exclusive contract, although regulators could pose obstacles. Sky is proposing a digital service that would allow all Premiership matches to be

broadcast. Viewers would also be able to purchase "season's tickets" giving them access to all the games of their home team. Sky is also proposing services

including viewer-selected camera angles, slow motion and other innovations made possible by digital technology. Media, section two

## IN BRIEF

• Japan's April trade surplus fell to ¥321bn from ¥329bn a year earlier, the Ministry of Finance said. Exports reached ¥34,400bn, up from ¥34,700bn a year earlier, while imports rose to ¥33,200bn from ¥25,400bn. Japan had a ¥172bn surplus with the US on exports and ¥801bn on imports. In trade with the European Union, Japan posted a surplus of ¥92.6bn on exports and ¥469bn on imports.

• UK car production rose by a seasonally adjusted 1.9 per cent in the three months to April from a year earlier, the Central Statistical Office said. Production allocated for exports rose by 4.7 per cent but home production fell by 0.8 per cent.

• Mary Walz, the former global head of equity financial products at Barings, is going to an industrial tribunal to try to retrieve the £500,000 bonus she had been set to receive until the bank collapsed. Ms Walz oversaw the arbitrage trading between derivatives exchanges in Singapore and Japan by which Nick Leeson appeared to generate huge profits.

• Argos said sales, including the impact of more new stores, rose 17 per cent in the first four and a half months of 1996 from the same year-earlier period. On a like-for-like basis, turnover rose more than 9 per cent, he added. However, the chairman Sir Richard Lloyd cautioned that Argos's performance was heavily dependent on the last quarter of each year.

• Medeva has acquired the US rights to the hay fever treatment Semprex-D from Glaxo Wellcome for £10.9m. Semprex-D is prescribed for the treatment of patients aged 12 and older. The product was first launched in June 1994.

• Allied Domecq's sale of a 75 per cent interest in Lyons Irish Holdings PLC to Unilever received a setback yesterday when Ireland's minister for Enterprise and Employment, Richard Bruton, asked the Irish competition authority to investigate the proposed deal. Allied said that the authority was due to report to Mr Bruton by 18 June.

• Hunting sold construction businesses owned by its subsidiary Hunting Oilfield Services for £25m and bought US-based oil services company Petro-Tube for £6.9m. Hunting said the deals should enhance earnings potential in both the current and future years and hence reduce gearing by 6 per cent. However, the company also warned that profits from its aviation division were unlikely to show any improvement this year because of cost over-runs on its Dash-8 contract.

• LiveTV, the cable-exclusive entertainment channel, is launching new local TV stations in Liverpool and Edinburgh later this year. Mirror Group, the channel's owners, announced yesterday. LiveTV, in 1997, additional channels, part of Live's "City TV" network, will be launched in Newcastle, Bristol and the Black Country. Each will be launched in 20 minutes of local news per hour, supplemented by a feed from LiveTV's national service in London. Mirror Group, which owns 46 per cent of the Independent, said that each new station would create about 30 jobs. LiveTV is also in negotiations to roll out local affiliates in Manchester, Glasgow, East Midlands, Yorkshire and Thames Valley.

## Oracle in Microsoft challenge

Oracle, the US software company, yesterday launched Network Computer Inc, a new subsidiary aimed at developing low cost computers and appliances for linking to the Internet, writes Matthew Horsman.

The new operating unit is expected to develop "dumb" terminals costing about £500, which will enable customers to access the Internet without having to use more expensive personal computers. The technology, supported by several leading manufacturers, would be an "open" platform based on a common standard.

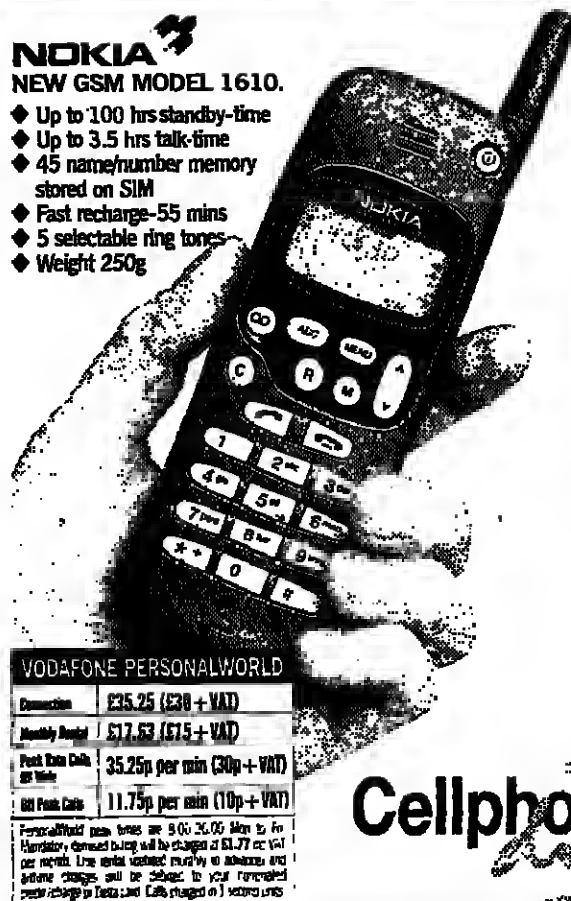
Oracle said it expected to make the Internet as prevalent as the telephone and the television are today.

Lawrence Ellison, Oracle's chief executive, said the market for software and Internet applications is "explosive". He added: "The formation of Network Computer allows us to focus our resources on this dynamic segment."

The proposed dumb terminal would allow users to download operating software directly from the Internet, dispensing with the need for expensive operating systems in the terminal itself.

The launch is a direct attack on Microsoft, the US computer giant, which dominates the world's operating-system market with its MS-DOS. Oracle plans to develop an industry standard for the new technology, supported by a range of computer manufacturers and telecommunications companies. Sun Microsystems, IBM and Apple Computer have all expressed support for the new platform, as have AT&T, the long-distance telephone operator, and Netscape, the Internet service provider.

## New digital Nokia. 100 hours of power!



**NOKIA**  
NEW GSM MODEL 1610.  
◆ Up to 100 hrs standby-time  
◆ Up to 3.5 hrs talk-time  
◆ 45 name/number memory stored on SIM  
◆ Fast recharge-55 mins  
◆ 5 selectable ring tones  
◆ Weight 250g

**What Cellphone**  
EXPERIENCE

**FREE 50 MINUTES PER MONTH**  
CALLS IN MAY, JUNE & JULY

• NEW GENERATION DIGITAL NOKIA replaces the proven 2010 model  
• ONE SECOND BILLING - you only pay for the airtime you use  
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## business

## Seton grows fat on others' crumbs

Seton Healthcare is one of a handful of opportunistic drugs firms that have grown up in the 1990s on the back of huge changes in the health-care industry. The company's *raison d'être* is buying unwanted brands and businesses from big groups for whom they are merely a sideline.

Last year, Seton stepped up its spending from £36m to £51m and the profits have flowed accordingly. Yesterday's results showed the underlying pre-tax total rising 52 per cent to £16.4m in the 12 months to February. That figure was struck before the £1.89m exceptional cost of sorting out last year's main acquisition, Simpla Plastics, the UK market leader in urinary incontinence bags, acquired for £20m in September. The charge wiped out Simpla's maiden profits contribution of £1.52m, but having closed the head office, cut back wholesalers' discounts and run all the business through Seton's own distribution network, margin improvements should already be coming through.

This attention to basics is part of the secret of Seton's success. But while Simpla makes prescription products, most of the group's growth has been in over-the-counter medicines, where it has expanded margins by pushing a bigger range of products through the existing marketing operation. In the past year alone it has added the Asilone range of indigestion products from Boots, as well as picking up Woodward's gripe water from London International.

OTC represents 44 per cent of sales and, despite the constant need to support brands through advertising, overall margins have broken through 20 per cent. The new £6m distribution centre completed near Oldham is operating at only two-thirds of capacity. Meanwhile, although gearing looks astronomical after the goodwill write-offs in the past few years, interest cover remains strong at over 10 times.

Many businesses have grown fat picking up the scraps from rich men's tables, but Seton's timing has been perfect, coinciding as it has with the increased concentration of the giants on prescription pharmaceuticals and the squeeze on medium-sized drugs groups. There should be no let-up in the number of orphan brands around after recent drugs mergers and takeovers. Equally, the prospects for the OTC market remain good, as governments and insurance companies maintain the pressure on health spending budgets, diverting people away from expensive prescription drugs to cheaper so-called self-medication remedies.

Seton's growth rate is being boosted by acquisitions. Last year's like-for-like sales growth of 12 per cent is more like 9 per cent when the last two years' purchases are excluded. As the company grows, it will have to swallow bigger businesses to maintain momentum, but last year's volume growth of 6 per cent in the existing business remains

## THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

impressive and there remains plenty more to buy. The trouble is, assuming pre-tax profits of £20.5m this year, the shares, up 3p at 508p, are up with events on a p/e of 18. Hold.

## Tom Cobleigh comes piping hot

Tom Cobleigh has been something of a roller-coaster ride since coming to the market at the end of last year. The managed pub company with the saccharine motto, "unspoilt pubs for nice people", enjoyed a bumper first-day premium on its 150p flotation price and quickly rose to a peak of 256p. It has since fallen back to a less heady 215p.

The gyrations have been caused by a variety of conflicting factors that make valuing the company difficult. In its favour, it is plainly onto an impressive formula. Large edge-of-town family pubs with a heavy emphasis on food are flavour of the month and nobody seems to create much better ones than Tom Cobleigh.

It has also benefited from enormous enthusiasm in the City for the managed pub sector and a healthy dollop of bid speculation. Set against that are understandable worries about the company's gearing and cash flow.

Attention to detail, the creation of a brand, an emphasis on staff training and motivation and an understanding of the psychology of eating out were clearly reflected in a 48 per cent rise in operating profits to £3.9m in the year to March. Pro forma earnings per share, assuming a full-year benefit from the £21m flotation proceeds, increased 32 per cent to 8p and a dividend of 1.6p was paid (in a full year on the market it would have been 2.7p).

Cobleigh makes 40 per cent of its sales from food and it is attracting customers at times, such as between 5 and 7 o'clock, when many people want to eat but most pubs are not serving food. Its research shows that many customers think of its sites as Tom Cobleigh's first and pubs second, a reflection of its success in creating a viable brand.

The group plans to spend £25m on capital expenditure this year, adding 15 pubs to its current managed portfolio of 41. That would plainly put a big dent in a balance sheet boasting net assets of £40.7m and £6.9m borrowings. Safe and leaseback deals look likely to ease gearing which should end the year at about 70 per cent.

Putting a sensible price on this mix of factors is further complicated by speculation that Cobleigh's venture capitalist backers, owning 50 per cent of the shares currently, will be open to

a sensible offer from a major such as Whitbread, keen to muscle in on a plainly attractive formula.

On the basis of forecast profits this year of £4m, the shares stand on a prospective price/earnings ratio in the low 20s.

Even for this sector that is high on fundamental grounds, but speculative froth puts a floor under the shares. Hold.

## Allied Carpet times it right

Allied Carpets' decision to seek a stock market listing is nicely timed. The new issues market is booming and recent retail floats such as Harvey Nichols and La Senza have proved popular.

The market is also kindly disposed to the larger specialist furnishings groups after the spectacular success of Carpetright and DFS Furniture. These companies have performed wonders by concentrating on one product in a fragmented market where most of the competition are small, privately owned concerns with limited capital to expand.

Shares in Sir Phil Harris's Carpetright have risen fourfold since they were floated on the stock market three years ago. DFS shares have doubled during the same period.

Though yet to be priced, the Allied Carpets float should prove interesting for the private investor. Born out of a Lowndes Queensway management buyout in 1991, it has 207 stores of which 172 trade under the Allied Carpets name and are aimed at mid-to-up-market customers. Eleven more trade under the Carpetland banner which targets a lower price bracket. There are 22 General George Outlets in Ireland.

Allied has 12 per cent of the market which it claims puts it neck-and-neck with Carpetright. It aims to double that share over the next four years. The expansion is likely to come from expanding the main Allied chain. A new Carpetland format is being tested and may be rolled out.

Though this will mean taking on Sir Phil's Carpetright head to head, market share is more likely to be gained from the independents which still account for 59 per cent of the market.

Since the takeover of Carpetland in 1993, Allied Carpets has been posting impressive figures with profits rising from £202,000 to last year's £12.2m. In the six months to the end of December the company reported profits of £7.3m on sales of £110m.

The float should value the firm at around £200m and will raise £10m-£20m of new funds for expansion. With a possible rise in consumer spending backed by tax cuts, building society windfalls and the maturing of Tessa, the shares could be worth a look.

## OECD learning to water down the wine with beer

## CITY DIARY

JOHN WILLCOCK

The French do these things so much better. Jean-Claude Paye, who is stepping down as Secretary General of the OECD, held a delightful luncheon reception in Paris yesterday for journalists.

The assembled hacks were in town for the annual OECD shindig, and were treated to smoked salmon snacks and Chateau de la Muette, a charming little wine named after the Parisian chateau in which the reception was held, in the Sixteenth Arrondissement.

Don Johnson, a Canadian, is due to succeed Monsieur Paye in the top slot.

One senior hack who has seen many of these functions mused yesterday that there are two types of people in the OECD: wine drinkers and beer drinkers.

The wine drinkers favour Gallic-style protection and state control of the economy; the beer drinkers prefer Anglo-Saxon free trade and deregulation.

Mr Paye, as a Frenchman, had started off at the OECD as a confirmed dirigiste wine drinker "but had added a lot of water to his wine over the years", said the hack, and could even tolerate sips of *laissez-faire* beer towards the end.

The City was gasping yesterday as rumours spread that Neil Collins, City editor of the *Daily Telegraph*, is in the running to succeed the departed Michael Lawrence as chief executive of the London Stock Exchange.

Mr Collins fanned the flames, saying: "I couldn't possibly either confirm or deny this story." If he does get the job, however, he

Hundreds of City people involved in selling the Railtrack issue parted in SBC Warburg's City office last night after the highly successful day's trading. Wags asked whether the investment bankers had invited Clare Short, shadow transport secretary, to the celebrations, since she had contributed so much to the Railtrack prospects?

The Labour Party took over three pages to explain to potential investors how it would regain control of the rail network when it came to office. The answer from an adviser last night was a curt "no. This is just for people who helped to sell the issue".



French without tears: drinking habits are slowly changing

faces a dilemma. Mr Collins wrote on the day that Mr Lawrence was pushed out that "from now on, this job will carry danger money".

On the other hand Mr Collins has also consistently hammered companies and organisations that hand out over-generous packages to chief executives. We await with keen anticipation news of Mr Collins's "golden hello" and platinum parachute.

Look around your office and you will probably see an annual ritual: the first sniffles of hay fever sufferers. You may even be a victim of this seasonal allergy yourself.

How appropriate then that nessler at Kings College, London, has just published a possible cure for hay fever and many other allergies, including asthma, eczema and food poisoning.

Pharmaceutical companies — and punters who invest in them — will be interested to

know that Dr Brian Sutton has yet to clinch a deal with a company to start clinical tests on this revolutionary drug, which suppresses allergic reactions.

Professor Sutton said yesterday: "We are talking to one company in the US and one in the UK. Clinical trials would take around five years before this could come to market."

Even so, the potential market is huge. Glaxo sells £156m-worth of its Becanase anti-hay fever nasal spray a year. Eager drugs companies can contact Professor Sutton at Kings College's Randall Institute off London's Drury Lane.

The row over the size of the debt write-offs at Railtrack got so heated at one point that one Government minister issued a semi-public threat to chairman Bob Horton — that he "wouldn't get his K if he went on like this".

In other words that he wouldn't get a knighthood. This is particularly cruel since Mr Horton was removed from BP before the traditional knighthood for that job arrived.

The Railtrack float has been so successful, however, that this time we expect the coveted knighthood is in the post.

## APV warns of restructuring

NIGEL COPE

APV, the food processing equipment maker which recently returned to profit after two years of re-structuring, went into reverse yesterday when it issued a profits warning.

The shares slumped by 17 per cent when the company warned shareholders that pre-exceptional profits would be "significantly lower" than last year's £7.1m. The main dent to the bottom line will be additional restructuring costs which will knock at least £8m off profits.

Addressing shareholders at its annual meeting yesterday, the directors blamed the downturn on a 5 per cent reduction in its profit margins over the past year and "challenging conditions" in most of its main markets.

Although APV said it expected to make progress in the second half backed by the restructuring benefits, the shares slid 15.5p to 74p on the warning.

The slump is a significant setback for the company, which had been limping towards recovery after five lean years

helped by former finance director Neil French. He was appointed in late 1994 to replace Clive Strowger who departed after a profits warning and a dividend cut.

Mr French had acted to halt the slide in operating margins and funded a restructuring programme by selling seven peripheral businesses.

He axed nearly 1000 jobs and incurred exceptional charges of £32m in 1995. This caused the group to slump to a £18m loss.

Profits of £27m last year appeared to indicate the corner had been turned. But Mr French hinted then that the restructuring would have to be accelerated to offset the effects of sluggish trading conditions. Fierce competition in retailing has discouraged investment in the kind of catering equipment APV supplies.

Director Sir Charles Reece retired at yesterday's meeting. Chairman Sir Peter Cazalet is stepping down in September. He will be replaced by Mike Smith, a former BTR director.

## Luminar debut puts Railtrack in shade

TOM STEVENSON  
City Editor

While Railtrack took the limelight yesterday, cafe and disco operator Luminar put the far larger company in the shade, moving quietly to a 28 per cent premium to its 200p placing price. The stunning performance of the shares, which had been priced in line with Luminar's sector, took management and advisers alike by surprise.

The surge in Luminar's share price on its first day of dealings confirmed the strength of the new issues market. Other new flotations to have made big profits for investors on day one have included Vanguard Media and Harvey Nichols.

Luminar owns, develops and operates theme bars, restaurants and discotheques in central, eastern and southern England. It has no presence in London, concentrating on provincial towns where it has

less competition from other entertainment facilities.

In the year to February profit before tax and exceptional items increased from £2.2m to £2.9m, struck from sales of £21.5m. An exceptional charge of £1.54m was levied to cover a permanent diminution in the value of three of Luminar's older disco properties following a revaluation by the directors. Two years ago the company made £1.4m from sales of £14m.

Luminar said it would use the £10m proceeds from the flotation to pay off £5m of debt and fund a substantial opening programme elsewhere in the country. The focus is likely to be on the Chicago Rock Cafes rather than the company's core chain of 18 discos.

Luminar was established to acquire medium-sized discos where its financial controls could be used to boost profits. In 1990 the company set up its Chicago Rock Cafe division.

## IN BRIEF

• Aberdeen Trust benefited from continued improvement in stock markets around the world, a stronger dollar, and income from new funds to increase profits 20 per cent to £3.38m in the six months to March. The company said a joint venture with Phoenix Home Life would be a significant development for its international activities and it hoped to start marketing its products in the US before the end of the current financial year. The interim dividend of 1p was a 43 per cent increase on the payout for first half 1995.

• Savoy Hotel chairman Sir Ewen Fergusson told shareholders at yesterday's annual meeting that the company will have spent £60m by next summer on a programme to restore the group's hotels to "their former glory".

The group had a long way to go to achieve its potential but "next year and in the years that follow we shall have created a firm platform for continuing long-term improvement and the board looks forward with keen anticipation to the future." During the year Granada took over the Savoy's major shareholder Forte. It intends to sell the Forte stake.

• Jefferson Smurfit said it had appointed Peter Webster as chairman and chief executive of Smurfit Ireland/UK. He succeeds Patrick Wright, whose appointment as president and chief operations officer of the group as a whole was announced recently.

• Countryside Properties, one of the largest housebuilders in London and the South-east and a commercial property developer, announced a pre-tax profit of £1m in the six months to March against £2.3m last year. The company said, however, that the result represented a "significant turn-round from the second half of last year" when exceptional provisions sent the group into a £10.6m full-year loss. Alan Cherry, chairman, said "whilst the improvements in housing are generally modest they are continuing, with more inquiries and visits to our show homes at all our current development sites."

• Theo Fennell, the luxury jewellery designer and retailer which has a concession in Harrods, is planning to float its shares on the Alternative Investment Market. Henderson Crosthwaite is the nominated adviser and broker to the issue. Richard Northcott, chairman, founded Dodge City, the DIY chain that was renamed B&Q and acquired by Kingfisher in 1981. He is currently chairman of Pet City.

• SEC, the leading market-maker in traded endowment policies, saw profits more than double in the six months to March from £463,000 to £1m. Turnover also more than doubled from £11.9m to £24.5m. The group recently announced its first step in a strategy of becoming a widely based financial services group with the acquisition of IFA Network. An interim dividend of 2p (1.5p) is declared.

• Phonelink, the electronic information service supplier, is launching a new service Tel-Me 3.0 this week. The new service includes Tel-Me What's New, a database of current and historic information on businesses, markets, products and people from approximately 1,000 business publications. It also offers route details of over 300 airlines, as well as up-to-the-minute seat availability, price inquiry and a booking request facility. There is a hotel booking service and a mail service. Phonelink's shares, which peaked at 434p two years ago, closed yesterday at 196p, up 7p.

COMPANY RESULTS				
	Turnover £	Pre-tax £	EPS	Dividend
British Airways (P)	(-)	585m (452m)	49.4 (26.2p)	13.75p (12.40p)
Countryside Prop (P)	78.5m (73.6m)	1.03m (2.3m)	1.1p (2.0p)	0.75p (-)
Matrix & Omnicore (P)	5m (4.7m)	0.28m (0.36m)	0.42p (0.55p)	nil (nil)
Met House Lucas (P)	(-)	8.2m (6.1m)	9.3p (13.1p)	1.1p (-)
RM Group (P)	45.2 (33.6m)	1.3m (1m)	5.0p (4.2p)	1.8p (1.5p)
SEC Group (P)	24.5m (12m)	1.0m (0.41m)	4.44p (11.73p)	2.0p (1.5p)
Seton Healthcare (P)	94.9m (81.3m)	14.6m (10.9m)	21.5p (21.2p)	7.9p (6.9p)
Tom Cobleigh (P)	19.3m (19.3m)	3.5m (1.6m)	7.65p (7.28p)	1.6p (-)
(P) - Profit (I) - Interim				

## NEWSPAPERS SUPPORT RECYCLING

Recycled paper made up 34.5% of the raw material for UK newspapers in 1995.

Source - Pulp & Paper Information Centre.

مكتبة الامير



# UK manufacturing returns as flavour of the month

Manufacturing is back in fashion. In the last few weeks the City has been rediscovering British manufacturing companies as a favoured investment, with a number of brokers arguing for an increase in the weighting of manufacturers in investment portfolios.

At first sight this might seem odd, given that for the last six months or so the growth of manufacturing output has stalled, raising concerns about what is hopefully called a "growth pause", and which might turn into something worse. But the task of investment analysts is to look forward, and they can see not only growth in the economy, but a manufacturing industry well fitted to take advantage of that.

That is the short term. The issue is a longer-term one here, which is not so much whether manufacturing does well this year or next, but rather whether some kind of structural turning point has been reached. Might, for example, we see over the next decade a rebound similar to that which has taken place in the US in the last?

The background to this whole debate is pretty well known. A series of papers in the *Economic Journal* earlier this year highlighted the fact that overall manufacturing output had hardly grown between 1973 and 1992, with the result that employment in manufacturing fell by a third, and the share of manufacturing in GDP declined from 32 per cent to 21 per cent.

The authors differed as to how much this mattered, some arguing that this failure put a brake on the whole economy, while others believed that de-industrialisation was not in itself important, provided



ECONOMIC VIEW  
**HAMISH McRAE**

other aspects of the economy took up the slack. Whatever view one takes on the importance, there does seem to have been some progress since 1979, for since then productivity has risen sharply (see the graph on the left). Output per head of the rest of the economy, on the other hand, did not grow any faster in the 1980s than it did in the 1960s and 1970s.

The result is some narrowing of the productivity gap between the UK and its competitors. In 1979 West German output per person per hour was 40 per cent higher than the UK;

in the rise of output. Last year, manufacturers over-estimated the strength of demand, and built up stocks when the demand failed to come through. (The build-up of stocks was much more serious in France and Germany and the adjustment to that is the main reason those two countries are back in recession.)

Either demand will pick up, or manufacturers will shed jobs: there is no evidence that the steady improvement in productivity will be reversed.

Exports? Yes, export volumes

## High-quality manufacturers are the 'growth stocks' of the future

by 1989 the advantage was down to 17 per cent. That gap may have narrowed further since.

But how is manufacturing doing now? In the last six months, the period when output stopped growing, there have been renewed concerns: productivity has stopped rising, export volumes are falling, competitiveness is declining, and investment has collapsed.

All these facts are true, but as a recent paper by brokers ABN-Amro Hoare Govett shows, the big picture is more encouraging. Yes, it is correct that productivity has stopped rising, but that is a function of the halt

have been disappointing, but look at the middle graph, which explains why.

The problem is exports to the European Union, where the three biggest economies, Germany, France and Italy, all shrank in the final quarter of last year. Exports to the rest of the world have continued to grow steadily. Besides, if you take a longer view of UK manufacturing performance (right-hand graph) it is pretty clear that the dreadful deficit of the late 1980s is largely corrected.

Yes, there is still a deficit on trade in manufactures, which, since there is also a small current account

deficit too, does suggest that there may still be some structural problem. But if so, at least the problem is more manageable than it was seven or eight years ago.

Finally, investment. Yes, it did collapse at the end of last year. But if you look at manufacturers' investment intentions as recorded by the CBI surveys, these show that investment is planned to continue at a high level.

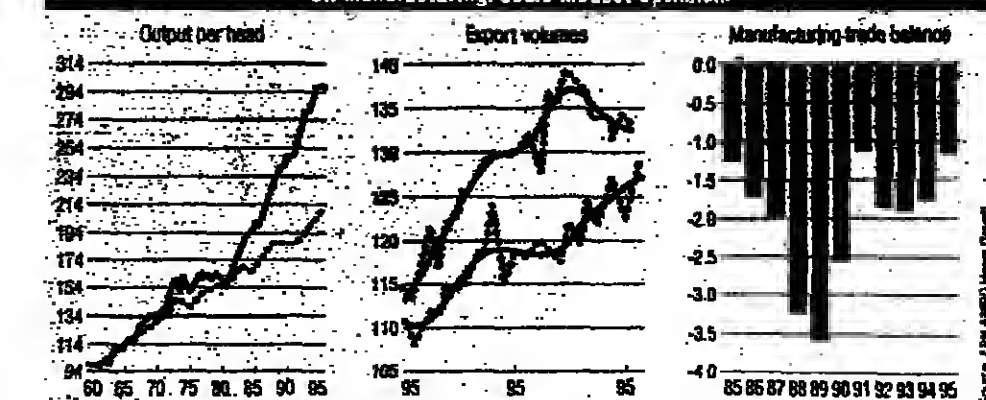
London brokerage houses are interested in selling shares, and ABN-Amro Hoare Govett argues that, from the point of view of equities, high-quality manufacturers are the "growth stocks" of the future. It is an interesting perception, and one which deserves to be taken seriously. If it is right, then there is more than an investment message here: there are policy messages too.

For example, if manufacturing is not going to continue shrinking there should be better job opportunities in the parts of the country where it is still an important employer. Arguably Britain did not make a mistake in downsizing industry too much; it simply downsized earlier than France or Germany, which are now having to do what we did a decade ago.

On the other hand, it could be argued that while stocks in manufacturing is wholly welcome, it is not so material to the whole of the economy as it was a generation ago. As a sector it is not much larger now than financial and business services, so policy should not be skewed to favour it at the expense of other sectors.

In any case, it looks as though we need not worry so much about helping manufacturing, for it is doing very well on its own.

## UK manufacturing: some modest optimism



I find this "either/or" debate rather too stark. The harsh truth remains that UK manufacturing, while vastly better than it was relative to the rest of Europe, remains less pro-

ductive than that of the US and Japan. For the moment UK wage rates are low by European standards, and that, plus a climate designed to encourage inward investment, has attracted large amounts of foreign capital to the UK: some 40 per cent of the inward investment into the EU. But ultimately the prosperity of UK manufacturing will only be ensured if productivity is at least as good as the rest of Europe, for the real competitors are elsewhere. Being good by European standards is not good enough.

Furthermore, I don't see much ev-

idence yet of a seismic shift in UK manufacturing analogous to that which took place in the US over the last decade. There has been useful and sustained incremental im-

## The revolution in US productivity may reach deeper than it does here

provement, which has been reflected in a rerating on the market of UK manufacturing companies like GKN and British Aerospace. But the shift does not feel as dramatic as the revolution which took place in a number of US companies. And the revolution in US productivity probably reaches deeper down into the second and third division companies than it does here.

But the fact that there is not much evidence yet does not mean that a step-change is not occurring. Many aspects of the UK economy have become much closer to the US model

in the last 15 years: our deregulated labour markets, which are at least starting to deliver lower unemployment without rising inflationary pressure; and our regulated financial markets, which are perfectly possible that these changes are also affecting UK industry in the same way that they affected US. So it is quite possible that during the next 10 years the renaissance that we can just glimpse in manufacturing will spread much more widely.

If that is so, then it would be enormously encouraging in both a social and economic terms. So it is particularly serious problems of deindustrialisation - such as the shortage of jobs for middle-aged men - would at least not get any worse and might be partially reversed. And the endemic problem of the balance of payments - that whenever demand rises rapidly we tend disproportionately to suck in imports - would also recede. The next year or 18 months will be interesting, for we may catch a glimpse of things to come.

## Foreign Exchange Rates

Country	Spot	1 month	3 months	Spot	1 month	3 months
US	1.5222	10.6	24.21	1000	—	—
Canada	2.0772	11.3	50.37	13737	2.1	2.0
Germany	2.2307	10.6	59.18	15347	26.24	84.81
France	7.8504	10.2	426.40	5.8959	73.46	217.207
Italy	234.63	75.90	221.246	10516	57.44	170.182
Japan	161.97	75.70	225.216	10721	45.44	136.133
ECU	123.21	5.11	45.40	12273	7.8	23.25
Belgium	47.01	12.9	34.29	21545	6.5	18.16
Denmark	8.6588	75.23	5.8945	27.221	20.777	3.8604
Netherlands	2.5908	68.59	197.184	17497	36.32	107.102
Ireland	0.9811	10.6	24.16	15605	10.17	0.4778
Norway	9.8576	18.64	328.233	15851	42.17	10.80
Spain	163.41	26.36	72.89	12731	23.27	83.3420
Sweden	10.201	9.16	23.34	16740	89.123	280.301
Switzerland	1.9005	10.41	196.14	12569	37.34	110.107
Australia	1.9034	20.41	6.15	12587	39.21	54.58
Hong Kong	1.6888	10.61	224.70	72588	2.12	15.35
Malaysia	3.7838	0.0	0.0	24480	4.4	60.80
New Zealand	2.2252	43.57	335.58	14850	30.32	88.90
Saudi Arabia	5.7765	0.0	0.0	57324	2.7	0.4523
Singapore	2.3307	0.0	0.0	14090	41.50	100.81

## Other Spot Rates

Country	Sterling	Dollar
Argentina	12.938	0.0988
Australia	1.9005	0.5282
Canada	1.5222	0.6952
France	7.8504	0.1284
Germany	2.2307	0.4374
Greece	367.697	0.26250
India	52.8228	0.03400
Kuwait	0.4545	0.0305

Forward rates quoted high to low are at a discount; rates quoted low to high are at a premium.

\*Dollar rates quoted are reciprocal.

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## Interest Rates

UK			Germany		
Base	600%		Discount	2.50%	
France			Lombard	4.50%	
Intervention	370%		Canada		
Italy			Prima	700%	
Discount	800%		Discount	500%	
Netherlands			Denmark		
Advances	280%		Discount	3.25%	

Bond Yields					
Country	5yr	yield %	10yr	yield %	30yr
UK	8%	7.35	6 1/2%	7.00	7.50
US	6 1/4%	6.35	5 1/4%	6.00	6.50
Japan	6 1/4%	6.10	5 1/4%	5.75	6.00
Australia	8 1/4%	8.35	6 1/2%	8.00	8.50
Germany	6 1/4%	5.28	6%	5.75	6.00
France	5 1/4%	6.53	5 1/4%	6.00	6.50

Yields calculated on total basis

Money Market Rates		
	Overnight	7 Day











## sport

## Peeking in Peking is strictly prohibited

Hcr Majesty's press were on a mission – and nothing was going to deflect them, not the bar, not the swimming pool, nor, even after a gruelling 21-hour journey, a badly-needed shower.

Having arrived here yesterday, 12 hours ahead of England's footballers, the media headed straight for the Workers' Stadium to check out the most notorious sports pitch since Headingley '75. Would it be fit to play on – or had England flown half-way around the world for nothing?

There were 16 of us, including such luminaries as ITV's Gary Newbon – no doubt seeking a touchline interview with the groundsman – and BBC Radio Five's Alan Green and

Mike Ingham. There were also a clutch of tabloid men eager for a back-page lead. If only a uniformed Chinese jobsworth could be photographed keeping them out they could dust down the "ring of steel" and "cloak of secrecy" headlines.

Finding the ground was no problem – it was lit up by neon lights advertising a disco by the entrance gates. It looked the part: big, round and imposing with concrete everywhere. The impression was only slightly spoiled by the presence, where the twin towers would be, of the Gong Ti Hotel, flanked by a takeaway and Susan's Hair Fashion salon.

We slowly drove around the perimeter – the only sign of life

was some kids playing football. We tried to go through the hotel – no luck, there was not even a bar with a view of the pitch. Then we found a Chinese jobsworth – who pointed out that it was dark, it was half-past eight at night, and he was not about to turn on the floodlights for the English media. Surely, one thought, Wembley Stadium would do the same for the Chinese press?

Maybe not. There was nothing for it but to take the word of Ted Burton, England's chief scout and temporary agronomist, who has been here for five days.

The problem is that they have played two games on it since I arrived – China against

## Glenn Moore, in the Chinese capital, finds no joy at the Workers' Stadium

Lazio and a league game at the weekend," he said. (In case you are interested the score was Peking 1, Guangdong 0).

"They were working on it this afternoon and have promised to be at it again in the morning. There has been a little improvement and I would not have thought there was any doubt about the game going ahead."

So England, who were due to arrive at dawn this morning, will play after all. This is a great relief to all concerned, not least because a British trade delegation, headed by Michael Hes-

cline, is coincidentally here this week. No wonder the Mayor of Peking himself was on the telephone when Terry Venables originally threatened to cancel the game.

The FA will not, however, be excused until after England have finished the game without injury. Venables' plans have been disrupted enough, with the latest change being the last-minute inclusion of Steve Howey in the tour party.

Howey, who has not played since injuring his hamstring in the 4-3 defeat at Anfield last month, was called up to replace

Mark Wright, who was injured at the weekend. It is an unexpected reprieve for the Newcastle defender, who thought his chance had gone.

"I spoke to Terry after he announced the squad for the Hungary match and he told me to go with Newcastle on our end-of-season tour to Cyprus," Howey said.

"That was a disappointment to me. I was hoping he'd ask me to join the squad and train with them for the week, because I thought that would help me recover. But he told me to get myself away and use the time well to regain my fitness, but we kept in touch by phone and that was a great lift and made sure I kept myself right."

While the other Newcastle players were relaxing, Howey was working intensively under the guidance of the club physio Derek Wright to get himself back in trim. Even so, it was a chance meeting with one of the men who deprived Newcastle of the title, Manchester United's George skipper Steve Bruce, that let Howey know he might be in line for a late call-up.

"When we got back from Cyprus I decided to stay in a hotel outside Newcastle and I bumped into Steve there," he said. "I told him I was fit and he lifted my hopes when he told me that Gary [Palister] had said Tony [Adams] was really struggling and Mark [Wright] was probably out."

Howey added: "I realised that Terry might be trying to contact me and so it wasn't a surprise when I got home and heard a message from him on my answerphone saying he would be ringing back."

"He rang again at noon yesterday and told me to pack my bags because I was on the trip." Howey sought to dispel any doubts over his fitness. "I'm a generally fit lad and I've got no worries," he said.

China's team captain, coaches and clubs will earn mobile phones worth 13,000 yuan (£1,000) each if they defeat England on Thursday. If they lose, the telephones will be offered to leading coaches of the 24 A-league teams in China.

## Seve pins hopes on new club

Tim Glover finds a golfing legend at home on the driving range

Seve Ballesteros addressed the ball and made the sort of mistake everybody makes. He inadvertently gave it a little nudge and it toppled off the tee peg. "That," he said, "is how nervous Greg Norman felt in the final round of the Masters." Having been there before, Ballesteros knows the feeling.

He's conquered Augusta National twice but has also blown winning positions, although not quite to the degree of Norman's infamous demise last month, when he shot 78 to Nick Faldo's 67 and turned a six-stroke lead into a five-stroke defeat. Norman may not have a green jacket but he's the No 1 in the world, a position once occupied by Ballesteros.

When it comes to triumphs and disasters they are both in the Kipling class, but whereas Norman might have an off day the 39-year-old Spaniard has off seasons. In video terms, Ballesteros is in the throes of Slump IV. Yesterday at Sunningdale he officially unveiled the club with which he hopes to launch yet another comeback. After more than a decade with the British company Dunlop-Slazier, he signed a contract to play the American brand Cobra.

This happens to be the club that Norman uses. The endorsement is as follows: "Norman used the prototype King Cobra Titanium driver to win the Australian Open last November and it helped him capture the Doral Ryder Open in March." Similarly, Hale Irwin saw his average driving distance increase from 239 yards to 255 when he switched to the space-age alloy. Naturally, there is no mention of the Cobra biting the Great White Shark in the rear at Augusta.

Norman was smart enough to buy into the company, and when it went public he made around \$40m (£26.5m). Ballesteros's return will be a more modest \$1m, but that is on condition that he starts finding a few fairways.

They say that titanium is the greatest thing to happen to golf since grass: 40 per cent lighter than steel, 20 times stronger, superior trajectory and an oversize club head that is so large that even Stevie Wonder, or Seve Ballesteros, would have trouble avoiding the sweet spot. It will retail at £325.

After returning from a five-month sabbatical, Ballesteros tested his new clubs in the Moroccan Open. His first drive went about 50 yards and demolished a palm tree. He missed the cut. Since then, Cobra's engineers have been working with Ballesteros at his home in Pedreña, perfecting a tailor-made club for Europe's Ryder Cup captain.

"My driving," he said, "prevented me from scoring well. I took a break because I lost desire and interest. When you go to work and you don't feel like it, it's difficult to do a good job." It's especially difficult if you're a professional golfer and you haven't a clue where the ball's going.

Confidence, Ballesteros said, was the key. "It's getting better. Now I have to compete. No matter how good you are, how much talent you have, you need to play and work hard." On Sunday, when the Ryder Cup cream were blown away in the Benson and Hedges International at The Oxfordshire, Ballesteros shot 77 and finished joint 26th, his best result this season. So is the real Seve going to stand up? "I'm going to win a tournament this year," he said, adding that Wentworth, where the Volvo PGA is being held this week, and Royal Lytham, where he has won the Open on the last two occasions if he has been held there, were courses to "give me a lift and the desire to play".

Yesterday, on Sunningdale's practice ground, he was in splendid form, launching salvos towards a house at the end of the range that has just been bought by Gary Lineker.



Master class: Seve Ballesteros (left) gives Tim Glover, the Independent's Golf Correspondent, some tips at Sunningdale yesterday, where the Spaniard was unveiling his new club. Photograph: Adam Scott

Seve went through a repertoire that seemed to confirm that a lack of confidence is no longer his principal problem. He hit drives standing on one leg. "You want to see Woosie?" He got on his knees and smacked the ball down the

middle; for Colin Montgomerie he wore an expression once described by David Felicity as that of "a bulldog licking piss off a nettle"; he did Arnie, Faldo (are you alright there Fanny?), and a Lee Trevino that Rory Bremner would have been

proud of. He could have done Ian Baker-Finch by hitting it into somebody's garden but that would have been too close to the mark.

Ballesteros even gave a few lessons to the hacks. For the fashion-minded, I wore my Nick

Faldo Pringle top and a shirt from Greg's Shark collection, but I forgot my swing. Seve pointed out that there was not enough movement in the ankles, knees and hips, but apart from that it was okay. He suggested a sabbatical.

## Fired-up Montgomerie blows away blues

ANDY FARRELL  
reports from Thame

Colin Montgomerie may not always agree, but professional golf is good work if you can get it. The morning after the nightmare, when he blew the chance of winning £166,660 in the B&H International, Montgomerie took off in search of \$1m (£600,000).

In Sunday's gales, Montgomerie threw away a three-stroke lead, shooting an 84 which included a two-shot penalty for

kicking sand in a bunker. A certain Audi A8 made rapid progress down the M40. "It's a Quattro and it's fast; very fast. I broke the speed limit on the way home," he admitted.

Back at The Oxfordshire yesterday, he beat Costantino Rocca by one hole in their 18-hole matchplay quarter-final of the European section of the world championship. Should he win a semi-final against Bernhard Langer and the final today, a trip to Arizona in January is the prize, where this year Barry Lane took the seven-figure cheque.

"It was tough to come back to the same place, park in the same spot and not think 84," Montgomerie said. "All I thought about going round was what went wrong yesterday. Now I feel a lot better about myself and the word 'golf'. If you can't get motivated for winning \$1m, there is a problem."

Rocca was two up early on, but he three-putted the eighth and was hurried under the lip of a bunker at the ninth, which cost him a double bogey. The next seven holes were halved until Montgomerie holed from five

feet at the 17th for the decisive break. It was the only time the Scot was in front.

There was no repeat of the sand-kicking tantrum of Sunday. "It was just frustration. It wasn't an outburst of temperment. The ball was plugged and in instead of a chance to get up and down, I did well not to put it in the water. I certainly wasn't 'testing the surface'."

"I am playing as well as I ever have," added Montgomerie, who has slipped to fourth in the latest world rankings. "Sunday was just the conditions. There

were a few of us who didn't break 80. We were managing for seven or eight holes and then it went, and when it goes, it goes fast. Stephen Ames' round of 72 was exceptional, but the weather ruined the tournament."

Langer, two down with three to play, profited from Jesper Parnevik finding the water at the 17th to draw level, and later pitched to a foot at the same hole to win at the 20th.

Lane lost his crown when he lost by one hole to Spain's Miguel Jimenez after he went behind by three-putting the

16th. Jimenez this morning plays Sam Torrance, who beat Mark James 2 and 1 despite also finding the water at 17 and halving the hole with a bogey six. Jose-Maria Olazabal has withdrawn from the Volvo PGA championship, which starts at Wentworth on Friday. Olazabal, 30, who has not played since last September, has rheumatoid arthritis in both feet.

ANDERSEN CONSULTING WORLD CHAMPIONSHIP OF GOLF (The Oxfordshire, Thame). First round: 8 (Scot) to 14 (Spain). Second round: 14 (Spain) to 14 (Spain). Third round: 14 (Spain) to 14 (Spain). Fourth round: 14 (Spain) to 14 (Spain). Fifth round: 14 (Spain) to 14 (Spain). Sixth round: 14 (Spain) to 14 (Spain). Seventh round: 14 (Spain) to 14 (Spain). Eighth round: 14 (Spain) to 14 (Spain). Ninth round: 14 (Spain) to 14 (Spain). Tenth round: 14 (Spain) to 14 (Spain). Eleventh round: 14 (Spain) to 14 (Spain). Twelfth round: 14 (Spain) to 14 (Spain). Thirteenth round: 14 (Spain) to 14 (Spain). Fourteenth round: 14 (Spain) to 14 (Spain). Fifteenth round: 14 (Spain) to 14 (Spain). Sixteenth round: 14 (Spain) to 14 (Spain). Seventeenth round: 14 (Spain) to 14 (Spain). Eighteenth round: 14 (Spain) to 14 (Spain). Nineteenth round: 14 (Spain) to 14 (Spain). Twentieth round: 14 (Spain) to 14 (Spain). Twenty-first round: 14 (Spain) to 14 (Spain). Twenty-second round: 14 (Spain) to 14 (Spain). 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Two hundred and sixty







# Spinning out of control in a grand prix with no barriers

Spread betting is dangerous. It's official. The perils of this form of investment were starkly illustrated on Sunday by a City Index client who, during the Monaco Grand Prix, went to hell and did not come back. Having expected to win £125, he lost nearly £15,000 – and not for the first time.

Spread betting, which has become very popular with its possibilities for both big wins and big losses, is nothing like gambling with an ordinary bookmaker. When a £10 bet is placed with a bookmaker and it loses, the punter loses £10. Stake £10

per unit on a spread and losses are multiplied by the margin by which the punter is wrong. Under spread betting the bookmaker offers a "spread" and the punter can choose to gamble below or above this margin. In cricket, for example, a bookmaker might offer a spread on a batsman's innings of between 40 and 45 runs. If the punter "buys" at 45 runs at, say, £1 per run, and the batsman actually scores 75 runs, the punter wins £30 (75-45 x £1). If he had chosen to "sell" at 40 runs at £1 per run, he would have lost £35 (75-40 x £1).

City Index devised a bet where the Monaco Grand Prix winner received 50 points, the second 25 and the third 10. They then quoted a spread on each of the leading drivers plus a spread of 0.5-1.5 points about the field (the rank outsiders). The punter, believing he was on to easy money, "bought" the field at 0.5 points at £250 a point. In other words, he gambled that none of the outsiders would finish in the first three. He stood to win £125 if things went according to plan. They did not.

The retirements of Schumacher, Hill and Alesi left Olivier

lan Davies on the tale of a punter who banked on Monte Carlo – and bust

Paris (a 300-1 shot) clear to rack up 50 points with a bloodless victory, with another outsider, Johnny Herbert, scoring 10 points in third place. The punter, meanwhile, had banked £14,875 (50+10-0.5 x £250).

Such a tale ought to be the bard's story of all time. But the same punter had seen it all before.

In last season's First Division play-off final Reading were 2-0 up against Bolton when, with

30 minutes gone, they won a penalty. The punter chose this moment to phone Patrick Jay at IG Index, who were running a bet where the winner received 25 points and the loser 10.

"At that point we were quoting Reading at 24-24.5 and he bought Reading at 24.5 for £1,000 – a bet which would have netted him £1,000 if Reading had won," Jay said. "But Reading lost the penalty. Bolton scored once, equalised in the

last minute of normal time and scored a winner in the 29th minute of extra time."

Bolton went up and the punter went down – to the tune of £14,500. Reading scored 10 points, 14.5 fewer than he had forecast at £1,000 a point (14.5 x £1,000 = £14,500).

In the spread betting world of unlimited liability – where spread wagers, unlike bets with bookmakers, are enforceable under the law – such nightmares are rife.

Neil Greenwood, of City Index, tells a similar story from the Rugby World Cup: "We ran

a spread on the highest points total in the tournament and, after Scotland beat the Ivory Coast 89-0 early on, we set our spread at 92-95, thinking 89 would never be bettered."

"A punter agreed, selling with us at 92 for £500 a point, expecting to pocket an easy £1,500 (92-89 = 3 x £500 = £1,500). Then New Zealand and Japan served up 162 points and the punter ended up losing £35,000 (162-92 = 70 x £500 = £35,000)."

Wally Pyrah at Sporting Index knows a punter who backed Australia to make a de-

cent score against England in a Test. The punter went to sleep happy enough with Australia at 72-2, but woke up four hours later to find Australia all out for 130 and himself back in the pavilion owing £12,500.

Spread betting on cricket is particularly dangerous but, as Pyrah points out, the perils cut both ways. Sporting Index underestimated the number of runs Brian Lara would make in a West Indies-England series, and as Lara surged to a record Test score of 375, Pyrah calculated that each Lara boundary was costing his firm £1,200.

CRICKET: Hampshire turn expectations upside down, Lancashire hold out for a draw and spin brings Essex back to earth

## Eccentricity fails to save day for Reeve

JON CULLEY

reports from Edgbaston  
Hampshire 274 & 276-5 dec  
Warwickshire 192 & 236  
(Hampshire win by 122 runs)

Warwickshire's efforts to salvage a draw from a contest in which they were running second throughout persuaded Dermot Reeve to indulge in some tactical eccentricity yesterday, but in the end nothing could deny Hampshire a win that turned expectations upside down.

When Reeve is about, dull moments are rare but his behaviour on this occasion, giving a different slant to the phrase "throwing the bat", was bizarre even by the standards of the Warwickshire captain.

Against a left-arm spinner bowling into the rough outside leg-stump, calculated use of the pads to "play" the ball is a lawful if negative ploy. It does, however, carry the risk of inadvertently giving a catch, off bat or glove, which is why the batsman takes the precaution of

holding the bat as far from danger as possible.

Reeve went a step further against Hampshire's Raj Maru as Warwickshire, declining to chase a substantial target, sought to grind out the three-point "bonus" for a draw. Not content merely to raise the bat above his head as he thrust his left pad at the ball, Reeve tossed the bat away in the direction of silly point. During 28 overs at the crease he performed this manoeuvre 15 times.

"I saw John Emburey do it some years ago against Norman Gifford after he had almost been caught off the glove," Reeve said. "The next ball he simply dropped the bat. I've seen too many batsmen out because the ball has bounced off the pad on to the bat or glove, and if you drop the bat that cannot happen."

Reeve arrived with Warwickshire 111-4 and seven overs into the afternoon. As in the morning session, which began with precisely 350 needed to fashion an unlikely win, the champions had been knocked back by two early dismissals. Wasim Khan and Dominic Ostler had fallen in Winston Benjamin's opening spell. Now Nick Knight, who might have given them a chance, was bowled by Stuart Milburn, and Shaun Pollock was caught.

Reeve waited 11 overs to score a run and after his antics Raj Maru must have felt there was poetic justice in his downfall first ball after tea, ruled to have been caught behind off the left-arm seamer, Kevan James.

If not in trouble then at 173-5 with 30 overs still to go, Warwickshire certainly were when Cardigan Connor reduced them to 187-7 by removing Trevor Penney and Neil Smith in the space of three balls.

Scoreboard, page 23

## Patel lays down law

HENRY BLOFELD

reports from Ilford  
Kent 590  
Essex 306 & 218  
Kent win by innings and 66 runs

After winning their first two matches in the Championship, Essex were brought back to earth with a considerable bump by the Kent spinners, Min Patel and Carl Hooper, and the Valentine's Park pitch. However, none of them intervened for Stuart Law, who completed his fourth century in his last seven innings for Essex.

His was the second outstanding innings of the match, and although Law may never match the qualities of Hooper, who played the other, I would back him to score more runs in a comparably long Test career.

Law is a crisp, uncomplicated stroke maker who leaves as little as possible to chance. The attribute which shone through in this innings was his excellent judgement. When the ball is turning and bouncing uncertainly, the smallest error turns a good stroke into folly.

The cricket was fascinating for most of the first hour. Law and Darren Robinson took their third-wicket stand to 157, batting skilfully against the spinners, and runs came easily enough to make Essex supporters think a draw possible. But as so often happens, after the first wicket had fallen the rest went down in a clatter. Patel, now bowling his left-arm spinners over the wicket at the right-handers, persuaded Robinson to sweep without putting his pad behind the line and was bowled round his legs.

Law's tussle with Patel was a gem, with Patel tending to keep the ball well up and Law either playing defensively or stretching his forward stride a few inches to drive with a flowing arc of the bat. It was classic stuff.

After Robinson's departure, Paul Prichard pushed forward and was caught behind; Ronnie Irani was caught in the gully for a duck and when Law was well caught off bat and pad by Trevor Ward at short leg, that was effectively that.

It was all over by lunch, Patel finishing with 6 for 97 in 37.3 overs and Hooper with 3 for 67 in 35 overs.



Lancashire's England seamer Peter Martin traps Nottinghamshire's David Pennett lbw on his way to 7 for 50 at Trent Bridge yesterday  
Photograph: Ross Kinnaird/Allsport

## Venables keeps his players on the ball

Football  
GUY HODGSON

First we have had the Christmas tree formation and a three-man defence; now Terry Venables has done away with another England tradition as firmly rooted as the square back four: no sex before matches.

Putting precedent roughly where his predecessor, Graham Taylor, shoved Gary Lineker, the England coach will allow his players to go home to their families between matches during next month's Euro 96 rather than keep them locked away at a training base. Home cooking is just one of things he believes will keep his men happy.

"It was Terry's thinking, and that's the reason it was brought in," an FA spokeswoman, Claire Tomlinson, said. "England open the tournament on 3 June and then have a whole week before they play again."

"Players perform better when they are refreshed rather than cooped up in a hotel for weeks on end, and Terry felt that allowing them to go home would make sure that boredom did not set in."

Previous England squads for major tournaments have operated on the "hungry fighter" basis, and sex has been about as welcome as a first-round match against the Germans.

The players were locked away for weeks, with the traditional view being that it keeps players focused.

Sir Alf Ramsey kept a keenly puritanical eye on his men during two World Cups, and was rewarded by the ultimate success when England hosted the tournament in 1966, followed by a quarter-final place in Mexico four years later.

Bobby Robson did allow wives and girlfriends to visit the squad at the 1990 World Cup in Italy, and his successor, Graham Taylor, maintained the same

rules for the 1992 European Championship finals in Sweden. But if Venables needed any justification for his relaxing of the rules during what could be a five-week separation for his players from their families, he need only point to the Danes.

Four years ago in Sweden, conjugal visits were permitted in the Danish camp, and they ended the tournament as winners.

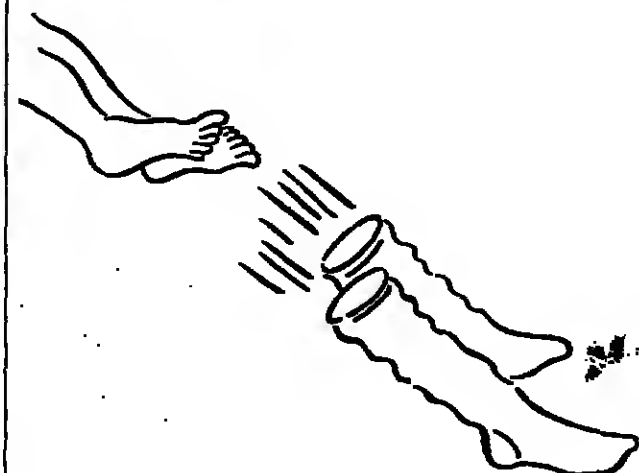
"I've nothing against letting wives into the team camp," Richard Moller Nielsen, the Danish manager, said. "Love is good for footballers as long as it is not at half-time."

Valeri Nepomniachi, the Russian coach of the Cameroon team in the 1990 World Cup, was of a similar mind in his control behind closed doors.

"Footballers are people," he said on the day women were allowed to visit his players, "and if a man is in discomfort for a long time, it can affect his work."

Rush signs for Leeds, page 22

MORSE



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THE INDEPENDENT CROSSWORD

No 2922, Tuesday 21 May By Aelred Monday's Solution

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
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ACROSS

1. Liable to fall flat on one's face? (8-5)
10. One making choice crossly (7)
11. Let's jest about the others' support? (7)
12. Reported to be unhappy about egoistic type? (4)
13. Material about to be extracted from the earth? (5)
14. Perhaps diamonds are appropriate? (4)
17. Ham on account and a bit of tongue? (7)
18. Possible delay in, say, reversing lecherous look (4,3)
19. Winger about a new queen skating lake? (7)
22. Awful album has to go, it's a pain? (7)
24. Attack small road to get round trunk road (4)

DOWN

2. Conservative about wickedness of crack? (7)
3. Enthusiastic about certain topics but not all (4)
4. Extremely weird estate skirting lake? (7)
5. Knotted lace makes rubbly items sound (7)
6. Gross up natives of the highlands? (4)
7. Japanese ornament brings profit to our country and Europe? (7)
8. Loaded type of cad in song (5,2,6)
9. One who'll score from recent changes to electoral district? (6-7)
15. See illness which is not well defined? (5)
16. Sounds crazy but it's soothing (5)
20. Very good animal practitioner in north-east shows ingenuity? (7)
21. Make demand on one advice bureau for personal transport? (7)
22. Heavy metal's including popular intros (4-3)
23. Could be a strain for worker? (7)
27. Fellow's able to get up and fight (4)
28. Layer of dirt has endless muck possibly (4)

MONDAY'S SOLUTION

1. DOWNHILL  
2. CRACK  
3. TOPICS  
4. WEIRD  
5. LACE  
6. RUBBLY  
7. HIGHLANDS  
8. CADDY  
9. SCORER  
10. CROSS  
11. JOKE  
12. UNHAPPY  
13. MINERAL  
14. DIAMOND  
15. ILLNESS  
16. SOUNDS  
17. HAM  
18. DELAY  
19. WINGER  
20. QUEEN  
21. LAKE  
22. ALBUM  
23. ROAD  
24. ATTACK

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Pink Champ  
Knickers and  
M&S miracle

TE

Agree  
advice  
miss

J  
M

Angie P  
DONALD WILSON

The